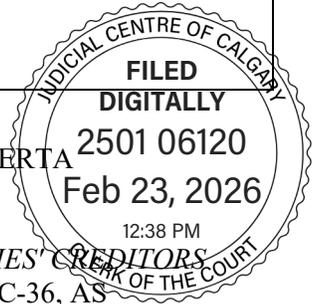


Clerk's Stamp:



COURT FILE NUMBER  
COURT  
JUDICIAL CENTRE

2501-06120  
COURT OF KING'S BENCH OF ALBERTA  
CALGARY

IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, c C-36, AS  
AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE  
OR ARRANGEMENT OF SUNTERRA FOOD  
CORPORATION, TROCHU MEAT PROCESSORS LTD.,  
SUNTERRA QUALITY FOOD MARKETS INC.,  
SUNTERRA FARMS LTD., SUNWOLD FARMS  
LIMITED, SUNTERRA BEEF LTD., LARIAGRA FARMS  
LTD., SUNTERRA FARM ENTERPRISES LTD.,  
SUNTERRA ENTERPRISES INC.

DOCUMENT

**AFFIDAVIT**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF PARTY  
FILING THIS DOCUMENT:

**BENNETT JONES LLP**  
Barristers and Solicitors  
4500, 855 – 2nd Street S.W.  
Calgary, Alberta T2P 4K7

Attention: Lincoln Caylor/Nathan J. Shaheen  
Keely Cameron/Mathieu LaFleche

Telephone No.: 403-298-3100  
Fax No.: 403-265-7219  
Client File No.: 99329.1

**AFFIDAVIT OF WHITNEY COLLISTER**

**Affirmed on February 23, 2026**

I, **Whitney Collister**, of **Calgary**, Alberta, **AFFIRM** AND SAY THAT:

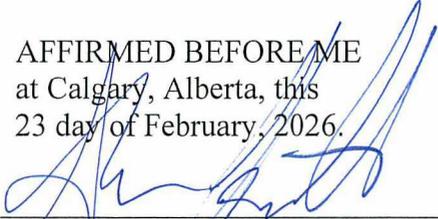
1. I am employed by Bennett Jones Services Limited Partnership, a services limited partnership for Bennett Jones LLP, Barristers and Solicitors, solicitors for Compeer

Financial, PCA ("**Compeer**") and have personal knowledge of the matters deposed to here except where otherwise stated to be based on information and belief.

2. Attached and marked as **Exhibits "A", "B" and "C"** respectively, are copies of corporate searches for Sunterra Farms Ltd., Sunwold Farms Limited, and Sunterra Enterprises Inc. each dated February 19, 2025.
3. Changes were made to the directors in March 2025. Attached and marked as **Exhibits "D", "E" and "F"** respectively, are copies of corporate searches for Sunterra Farms Ltd., Sunwold Farms Limited, and Sunterra Enterprises Inc. each dated February 17, 2026.
4. Attached and marked as **Exhibit "G"** is a copy of the Amended Statement of Claim of Compeer filed in Court of King's Bench Action No. 2501-19283 on November 28, 2025 which added Craig Thomspson, David Price, Arthur Price and Glen Price as defendants.
5. Attached and marked as **Exhibit "H"** is a copy of the Amended Statement of Defence filed in Court of King's Bench Action No. 2501-19283.
6. Attached and marked as **Exhibits "I", "J", and "K"** are copies of enhanced monitor orders containing similar terms to what is being sought by Compeer.
7. Attached and marked as **Exhibit "L"** is a true copy of the Opinion & Order Granting Plaintiff's Motion to Avoid Mandatory Mediation and Motion to Appoint a Receiver issued by the United States District Court for the District of South Dakota on March 28, 2025 in Case No. 4:25-cv-04044-ECS.
8. Attached and marked as **Exhibit "M"** is a true copy of the transcript recording the oral ruling issued by the United States District Court for the District of South Dakota on May 30, 2025 in Case No. 4:25-cv-04044-ECS.
9. On February 13, 2026, Keely Cameron, counsel for Compeer, provided a draft form of order arising from the application heard on December 4 and 5, 2025 and a bill of costs, setting out its solicitor client fees in the amount of \$1,717,274.12. Attached hereto as

**Exhibit "N"** is a copy of the email and attachments, excluding Appendix "A" to Compeer's bill of costs.

AFFIRMED BEFORE ME  
at Calgary, Alberta, this  
23 day of February, 2026.

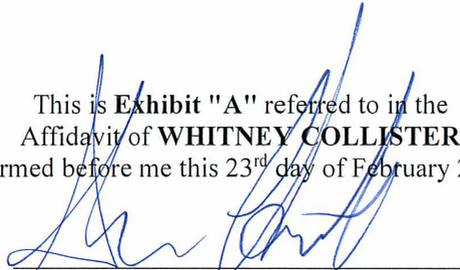
  
A Commissioner for Oaths  
in and for Alberta



WHITNEY COLLISTER

**Amara C. Hewitt**  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires November 3 2028

This is **Exhibit "A"** referred to in the  
Affidavit of **WHITNEY COLLISTER**  
affirmed before me this 23<sup>rd</sup> day of February 2026.



---

A Commissioner for Oaths  
in and for Alberta

**Amara C. Hewitt**  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires November 3, 2028

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

Date of Search: 2025/02/19  
 Time of Search: 02:59 PM  
 Search provided by: MCCARTHY TETRAULT LLP  
 Service Request Number: 43997619  
 Customer Reference Number: 143423-580232

**Corporate Access Number:** 208599100  
**Business Number:** 891989998  
**Legal Entity Name:** SUNTERRA FARMS LTD.  
**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Method of Registration:** Amalgamation  
**Registration Date:** 2000/01/01 YYYY/MM/DD  
**Date of Last Status Change:** 2007/07/31 YYYY/MM/DD

**Revival/Restoration Date:** 2007/07/31 YYYY/MM/DD  
**Registered Office:**  
**Street:** 1600, 421 - 7TH AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P4K9  
**Records Address:**  
**Street:** 1600, 421 - 7TH AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P4K9

**Email Address:** GWLG.CALGARY.CORPORATE@GOWLINGWLG.COM

**Primary Agent for Service:**

| Last Name | First Name | Middle Name | Firm Name   | Street                                | City    | Province | Postal Code | Email                                 |
|-----------|------------|-------------|---|---------------------------------------|---------|----------|-------------|---------------------------------------|
| MULLINS   | JASON      |             | GOWLING<br>WLG<br>(CANADA)<br>LLP/GOWLING<br>WLG<br>(CANADA)<br>S.E.N.C.R.L.,<br>S.R.L. | 1600,<br>421 -<br>7TH<br>AVENUE<br>SW | CALGARY | ALBERTA  | T2P4K9      | GWLG.CALGARY.CORPORATE@GOWLINGWLG.COM |

**Directors:**

**Last Name:** PRICE  
**First Name:** DAVID  
**Street/Box Number:** BOX 266, 294009 RANGE ROAD 260  
**City:** KNEEHILL COUNTY  
**Province:** ALBERTA  
**Postal Code:** T0M0A0

**Last Name:** PRICE  
**First Name:** GLEN  
**Street/Box Number:** 251251 WELLAND DRIVE  
**City:** CALGARY

2/19/25, 2:59 PM

3415

**Province:** ALBERTA  
**Postal Code:** T3R1L3

**Last Name:** PRICE  
**First Name:** ARTHUR  
**Street/Box Number:** 242161 RR 34  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T3Z2G2

**Last Name:** PRICE  
**First Name:** RAY  
**Street/Box Number:** BOX 266, 294009 RANGE ROAD 260  
**City:** KNEEHILL COUNTY  
**Province:** ALBERTA  
**Postal Code:** T0M0A0

**Voting Shareholders:**

**Legal Entity Name:** SUNTERRA FARM ENTERPRISES LTD.  
**Corporate Access Number:** 200549673  
**Street:** BOX 266, 294009 RANGE ROAD 260  
**City:** KNEEHILL COUNTY  
**Province:** ALBERTA  
**Postal Code:** T0M0A0  
**Percent Of Voting Shares:** 100

**Details From Current Articles:**

The information in this legal entity table supersedes equivalent electronic attachments

**Share Structure:** SEE SCHEDULE 'A' ATTACHED HERETO.  
**Share Transfers Restrictions:** SEE SCHEDULE 'B' ATTACHED HERETO.  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 10  
**Business Restricted To:** NONE  
**Business Restricted From:** NONE  
**Other Provisions:** SEE SCHEDULE 'C' ATTACHED HERETO.

**Holding Shares In:**

|                          |
|--------------------------|
| <b>Legal Entity Name</b> |
| WEST LAND LIVESTOCK INC. |
| RANCHER'S BEEF LTD.      |
| GENETIC ALLIANCE LTD.    |
| SUNWOLD FARMS LIMITED    |
| LARIAGRA FARMS LTD.      |

**Other Information:**

**Amalgamation Predecessors:**

| <b>Corporate Access Number</b> | <b>Legal Entity Name</b>  |
|--------------------------------|---------------------------|
| 200724334                      | AVID ENTERPRISES LTD      |
| 206745317                      | MOUNTAIN VISTA FARMS LTD. |
| 206379562                      | SUNTERRA FARMS LTD.       |

|           |                             |
|-----------|-----------------------------|
| 208596916 | SUNTERRA FARMS ONTARIO LTD. |
| 203563317 | WESTCAN FARMS LTD.          |

**Last Annual Return Filed:**

| File Year | Date Filed (YYYY/MM/DD) |
|-----------|-------------------------|
| 2024      | 2024/05/01              |

**Filing History:**

| List Date (YYYY/MM/DD) | Type of Filing  |
|------------------------|---|
| 2000/01/01             | Amalgamate Alberta Corporation                              |
| 2007/03/02             | Status Changed to Start for Failure to File Annual Returns  |
| 2007/07/02             | Status Changed to Struck for Failure to File Annual Returns |
| 2007/07/31             | Initiate Revival of Alberta Corporation                     |
| 2007/07/31             | Complete Revival of Alberta Corporation                     |
| 2010/12/20             | Change Director / Shareholder                               |
| 2013/11/24             | Change Address  |
| 2020/02/17             | Update BN   |
| 2024/05/01             | Enter Annual Returns for Alberta and Extra-Provincial Corp. |
| 2024/09/06             | Change Agent for Service                                    |

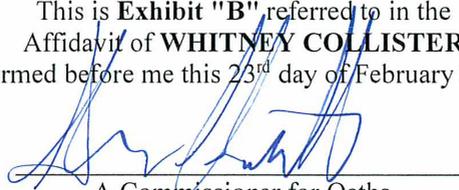
**Attachments:**

| Attachment Type                                 | Microfilm Bar Code | Date Recorded (YYYY/MM/DD) |
|---|--------------------|----------------------------|
| Statutory Declaration                           | 10000898000737441  | 2000/01/01                 |
| Amalgamation Agreement                          | 10000698000737442  | 2000/01/01                 |
| <a href="#">Restrictions on Share Transfers</a> | ELECTRONIC         | 2000/01/01                 |
| <a href="#">Other Rules or Provisions</a>       | ELECTRONIC         | 2000/01/01                 |
| <a href="#">Share Structure</a>                 | ELECTRONIC         | 2000/01/01                 |

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.



This is **Exhibit "B"** referred to in the  
Affidavit of **WHITNEY COLLISTER**  
affirmed before me this 23<sup>rd</sup> day of February 2026.



\_\_\_\_\_  
A Commissioner for Oaths  
in and for Alberta

**Amara C. Hewitt**  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires November 3, 2028

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

Date of Search: 2025/02/19  
 Time of Search: 03:00 PM  
 Search provided by: MCCARTHY TETRAULT LLP  
 Service Request Number: 43997615  
 Customer Reference Number: 143423-5802323

**Corporate Access Number:** 2018573952  
**Business Number:** 862034238  
**Legal Entity Name:** SUNWOLD FARMS LIMITED

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Method of Registration:** Amalgamation  
**Registration Date:** 2014/11/01 YYYY/MM/DD

**Registered Office:**  
**Street:** 1600, 421 - 7TH AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P4K9

**Records Address:**  
**Street:** 1600, 421 - 7TH AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P4K9

**Email Address:** GWLG.CALGARY.CORPORATE@GOWLINGWLG.COM

**Primary Agent for Service:**

| Last Name | First Name | Middle Name | Firm Name   | Street                                | City    | Province | Postal Code | Email                                 |
|-----------|------------|-------------|---|---------------------------------------|---------|----------|-------------|---------------------------------------|
| MULLINS   | JASON      |             | GOWLING<br>WLG<br>(CANADA)<br>LLP/GOWLING<br>WLG<br>(CANADA)<br>S.E.N.C.R.L.,<br>S.R.L. | 1600,<br>421 -<br>7TH<br>AVENUE<br>SW | CALGARY | ALBERTA  | T2P4K9      | GWLG.CALGARY.CORPORATE@GOWLINGWLG.COM |

**Directors:**

**Last Name:** PRICE  
**First Name:** GLEN  
**Street/Box Number:** 251251 WELLAND DRIVE  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T3R1L3

**Last Name:** PRICE  
**First Name:** RAY  
**Street/Box Number:** BOX 266, 294009 RANGE ROAD 260  
**City:** KNEEHILL COUNTY  
**Province:** ALBERTA  
**Postal Code:** T0M0A0

**Voting Shareholders:**

**Legal Entity Name:** SUNTERRA FARMS LTD.  
**Corporate Access Number:** 208599100  
**Street:** BOX 266, 294009 RANGE ROAD 260  
**City:** KNEEHILL COUNTY  
**Province:** ALBERTA  
**Postal Code:** T0M0A0  
**Percent Of Voting Shares:** 100

**Details From Current Articles:**

The information in this legal entity table supersedes equivalent electronic attachments

**Share Structure:** SEE SCHEDULE "A" ATTACHED HERETO.  
**Share Transfers:** NO SHARES IN THE CAPITAL STOCK OF THE CORPORATION SHALL BE TRANSFERRED TO ANY PERSON  
**Restrictions:** WITHOUT THE APPROVAL OF THE BOARD OF DIRECTORS.  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 15  
**Business Restricted To:** NO RESTRICTIONS.  
**Business Restricted From:** NO RESTRICTIONS.  
**Other Provisions:** NO SECURITIES OF THE CORPORATION, OTHER THAN NON-CONVERTIBLE DEBT SECURITIES, SHALL BE TRANSFERRED TO ANY PERSON WITHOUT THE APPROVAL OF THE BOARD OF DIRECTORS.

**Other Information:**

**Amalgamation Predecessors:**

| Corporate Access Number | Legal Entity Name     |
|-------------------------|-----------------------|
| 2018435459              | QUAD AGRA LTD.        |
| 2011394372              | SUNWOLD FARMS LIMITED |

**Last Annual Return Filed:**

| File Year | Date Filed (YYYY/MM/DD) |
|-----------|-------------------------|
| 2023      | 2024/02/29              |

**Outstanding Returns:**

Annual returns are outstanding for the 2024 file year(s).

**Filing History:**

| List Date (YYYY/MM/DD) | Type of Filing  |
|------------------------|---|
| 2014/11/01             | Amalgamate Alberta Corporation                              |
| 2019/07/18             | Name/Structure Change Alberta Corporation                   |
| 2020/01/30             | Change Director / Shareholder                               |
| 2020/02/22             | Update BN   |
| 2024/02/29             | Enter Annual Returns for Alberta and Extra-Provincial Corp. |
| 2024/09/06             | Change Agent for Service                                    |

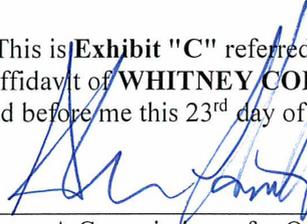
**Attachments:**

| Attachment Type                 | Microfilm Bar Code | Date Recorded (YYYY/MM/DD) |
|---------------------------------|--------------------|----------------------------|
| <a href="#">Share Structure</a> | ELECTRONIC         | 2014/11/01                 |
| Statutory Declaration           | 10000307115353240  | 2014/11/01                 |
| <a href="#">Share Structure</a> | ELECTRONIC         | 2019/07/18                 |

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.



This is **Exhibit "C"** referred to in the  
Affidavit of **WHITNEY COLLISTER**  
affirmed before me this 23<sup>rd</sup> day of February 2026.



---

A Commissioner for Oaths  
in and for Alberta

**Amara C. Hewitt**  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires November 3, 2028

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

Date of Search: 2025/02/19  
 Time of Search: 02:58 PM  
 Search provided by: MCCARTHY TETRAULT LLP  
 Service Request Number: 43997597  
 Customer Reference Number: 143423-580232

**Corporate Access Number:** 207658741  
**Business Number:** 882714520  
**Legal Entity Name:** SUNTERRA ENTERPRISES INC.

**Name History:**

| Previous Legal Entity Name | Date of Name Change (YYYY/MM/DD) |
|----------------------------|----------------------------------|
| 765874 ALBERTA INC.        | 1999/10/27                       |

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Registration Date:** 1997/12/05 YYYY/MM/DD  
**Date of Last Status Change:** 2000/03/02 YYYY/MM/DD

**Registered Office:**

**Street:** 1600, 421 - 7TH AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P4K9

**Records Address:**

**Street:** 1600, 421 - 7TH AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P4K9

**Email Address:** GWLG.CALGARY.CORPORATE@GOWLINGWLG.COM

**Primary Agent for Service:**

| Last Name | First Name | Middle Name | Firm Name   | Street                                | City    | Province | Postal Code | Email                                 |
|-----------|------------|-------------|---|---------------------------------------|---------|----------|-------------|---------------------------------------|
| MULLINS   | JASON      |             | GOWLING<br>WLG<br>(CANADA)<br>LLP/GOWLING<br>WLG<br>(CANADA)<br>S.E.N.C.R.L.,<br>S.R.L. | 1600,<br>421 -<br>7TH<br>AVENUE<br>SW | CALGARY | ALBERTA  | T2P4K9      | GWLG.CALGARY.CORPORATE@GOWLINGWLG.COM |

**Directors:**

**Last Name:** PRICE  
**First Name:** GLEN  
**Street/Box Number:** 251251 WELLAND DRIVE  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T3R1L3

**Last Name:** PRICE

**First Name:** RAY  
**Street/Box Number:** BOX 266, 294009 RANGE ROAD 260  
**City:** KNEEHILL COUNTY  
**Province:** ALBERTA  
**Postal Code:** T0M0A0

**Last Name:** PRICE  
**First Name:** ARTHUR  
**Middle Name:** R.  
**Street/Box Number:** 242161 RR 34  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T3Z2G2

**Last Name:** PRICE  
**First Name:** DAVID  
**Street/Box Number:** BOX 266, 294009 RANGE ROAD 260  
**City:** KNEEHILL COUNTY  
**Province:** ALBERTA  
**Postal Code:** T0M0A0

**Voting Shareholders:**

**Last Name:** PRICE  
**First Name:** DAVID  
**Street:** BOX 266, 294009 RANGE ROAD 260  
**City:** KNEEHILL COUNTY  
**Province:** ALBERTA  
**Postal Code:** T0M0A0  
**Percent Of Voting Shares:** 37.45

**Last Name:** PRICE  
**First Name:** ARTHUR  
**Street:** 242161 RR 34  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T3Z2G2  
**Percent Of Voting Shares:** 29.63

**Last Name:** PRICE  
**First Name:** DOUGLAS  
**Street:** BOX 266, 294009 RANGE ROAD 260  
**City:** KNEEHILL COUNTY  
**Province:** ALBERTA  
**Postal Code:** T0M0A0  
**Percent Of Voting Shares:** 3.7

**Last Name:** PRICE  
**First Name:** GLEN  
**Street:** 251251 WELLAND DRIVE  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T3R1L3  
**Percent Of Voting Shares:** 10.12

**Last Name:** PRICE  
**First Name:** RAY  
**Street:** BOX 266, 294009 RANGE ROAD 260  
**City:** KNEEHILL COUNTY  
**Province:** ALBERTA

Postal Code: T0M0A0  
Percent Of Voting Shares: 19.11

**Details From Current Articles:**

The information in this legal entity table supersedes equivalent electronic attachments

**Share Structure:** SEE SCHEDULE "A" ATTACHED HERETO  
**Share Transfers** NO SHARES OF THE CORP. SHALL BE TRANSFERRED TO ANY PERSON WITHOUT THE APPROVAL OF THE  
**Restrictions:** BOARD OF DIRECTORS  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 15  
**Business Restricted To:** NONE  
**Business Restricted From:** NONE  
**Other Provisions:** SEE SCHEDULE "B" ATTACHED HERETO

**Holding Shares In:**

| Legal Entity Name                    |
|--------------------------------------|
| WEST MARKET SQUARE INC.              |
| SUNWOLD FARMS LIMITED                |
| SUNTERRA BEEF LTD.                   |
| SUNTERRA KEYNOTE MARKET INC.         |
| PRECISION LIVESTOCK DIAGNOSTICS LTD. |

**Other Information:**

**Last Annual Return Filed:**

| File Year | Date Filed (YYYY/MM/DD) |
|-----------|-------------------------|
| 2023      | 2024/02/29              |

**Outstanding Returns:**

Annual returns are outstanding for the 2024 file year(s).

**Filing History:**

| List Date (YYYY/MM/DD) | Type of Filing  |
|------------------------|---|
| 1997/12/05             | Incorporate Alberta Corporation                             |
| 2000/02/01             | Status Changed to Start for Failure to File Annual Returns  |
| 2013/11/24             | Change Address  |
| 2015/10/22             | Name/Structure Change Alberta Corporation                   |
| 2019/12/09             | Change Director / Shareholder                               |
| 2020/02/17             | Update BN   |
| 2024/02/29             | Enter Annual Returns for Alberta and Extra-Provincial Corp. |
| 2024/09/06             | Change Agent for Service                                    |

**Attachments:**

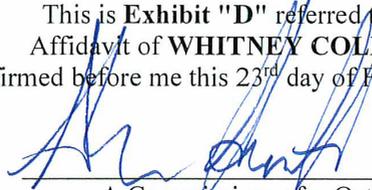
| Attachment Type                 | Microfilm Bar Code | Date Recorded (YYYY/MM/DD) |
|---------------------------------|--------------------|----------------------------|
| <a href="#">Share Structure</a> | ELECTRONIC         | 1999/10/27                 |

|   |            |            |
|---|------------|------------|
| <a href="#">Share Structure</a>           | ELECTRONIC | 2015/10/22 |
| <a href="#">Other Rules or Provisions</a> | ELECTRONIC | 2015/10/22 |

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.



This is **Exhibit "D"** referred to in the  
Affidavit of **WHITNEY COLLISTER**  
affirmed before me this 23<sup>rd</sup> day of February 2026.



---

A Commissioner for Oaths  
in and for Alberta

**Amara C. Hewitt**  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires November 3, 2028

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

Date of Search: 2026/02/17  
Time of Search: 12:06 PM  
Search provided by: BENNETT JONES LLP (CALGARY)  
Service Request Number: 46515034  
Customer Reference Number: 99329-1/KC/aar

**Corporate Access Number:** 208599100  
**Business Number:** 891989998  
**Legal Entity Name:** SUNTERRA FARMS LTD.  
**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Method of Registration:** Amalgamation  
**Registration Date:** 2000/01/01 YYYY/MM/DD  
**Date of Last Status Change:** 2007/07/31 YYYY/MM/DD

**Revival/Restoration Date:** 2007/07/31 YYYY/MM/DD

**Registered Office:**  
**Street:** 1600, 421 - 7TH AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P4K9

**Records Address:**  
**Street:** 1600, 421 - 7TH AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P4K9

**Email Address:** GWLG.CALGARY.CORPORATE@GOWLINGWLG.COM

**Primary Agent for Service:**

| Last Name | First Name | Middle Name | Firm Name   | Street                                | City    | Province | Postal Code | Email                                 |
|-----------|------------|-------------|---|---------------------------------------|---------|----------|-------------|---------------------------------------|
| WILL      | STEVE      |             | GOWLING<br>WLG<br>(CANADA)<br>LLP/GOWLING<br>WLG<br>(CANADA)<br>S.E.N.C.R.L.,<br>S.R.L. | 1600,<br>421 -<br>7TH<br>AVENUE<br>SW | CALGARY | ALBERTA  | T2P4K9      | GWLG.CALGARY.CORPORATE@GOWLINGWLG.COM |

**Directors:**

**Last Name:** PRICE  
**First Name:** ARTHUR  
**Street/Box Number:** 242161 RR 34  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T3Z2G2

**Last Name:** PRICE  
**First Name:** RAY

Street/Box Number: BOX 266, 294009 RANGE ROAD 260  
City: KNEEHILL COUNTY  
Province: ALBERTA  
Postal Code: T0M0A0

**Voting Shareholders:**

Legal Entity Name: SUNTERRA FARM ENTERPRISES LTD.  
Corporate Access Number: 200549673  
Street: BOX 266, 294009 RANGE ROAD 260  
City: KNEEHILL COUNTY  
Province: ALBERTA  
Postal Code: T0M0A0  
Percent Of Voting Shares: 100

**Details From Current Articles:**

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SCHEDULE 'A' ATTACHED HERETO.  
Share Transfers Restrictions: SEE SCHEDULE 'B' ATTACHED HERETO.  
Min Number Of Directors: 1  
Max Number Of Directors: 10  
Business Restricted To: NONE  
Business Restricted From: NONE  
Other Provisions: SEE SCHEDULE 'C' ATTACHED HERETO.

**Holding Shares In:**

|                          |
|--------------------------|
| <b>Legal Entity Name</b> |
| WEST LAND LIVESTOCK INC. |
| RANCHER'S BEEF LTD.      |
| GENETIC ALLIANCE LTD.    |
| SUNWOLD FARMS LIMITED    |
| LARIAGRA FARMS LTD.      |

**Other Information:**

**Amalgamation Predecessors:**

| Corporate Access Number | Legal Entity Name           |
|-------------------------|-----------------------------|
| 200724334               | AVID ENTERPRISES LTD        |
| 206745317               | MOUNTAIN VISTA FARMS LTD.   |
| 206379562               | SUNTERRA FARMS LTD.         |
| 208596916               | SUNTERRA FARMS ONTARIO LTD. |
| 203563317               | WESTCAN FARMS LTD.          |

**Last Annual Return Filed:**

| File Year | Date Filed (YYYY/MM/DD) |
|-----------|-------------------------|
| 2025      | 2025/03/04              |

**Filing History:**

| List Date (YYYY/MM/DD) | Type of Filing  |
|------------------------|---|
| 2000/01/01             | Amalgamate Alberta Corporation                              |
| 2007/03/02             | Status Changed to Start for Failure to File Annual Returns  |
| 2007/07/02             | Status Changed to Struck for Failure to File Annual Returns |
| 2007/07/31             | Initiate Revival of Alberta Corporation                     |
| 2007/07/31             | Complete Revival of Alberta Corporation                     |
| 2013/11/24             | Change Address  |
| 2020/02/17             | Update BN   |
| 2025/03/04             | Change Director / Shareholder                               |
| 2025/03/04             | Enter Annual Returns for Alberta and Extra-Provincial Corp. |
| 2025/05/07             | Change Agent for Service                                    |

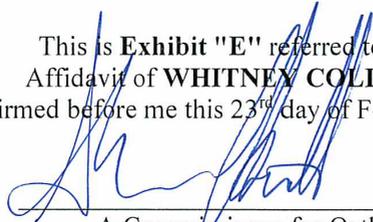
**Attachments:**

| Attachment Type                                 | Microfilm Bar Code | Date Recorded (YYYY/MM/DD) |
|---|--------------------|----------------------------|
| Statutory Declaration                           | 10000898000737441  | 2000/01/01                 |
| Amalgamation Agreement                          | 10000698000737442  | 2000/01/01                 |
| <a href="#">Restrictions on Share Transfers</a> | ELECTRONIC         | 2000/01/01                 |
| <a href="#">Other Rules or Provisions</a>       | ELECTRONIC         | 2000/01/01                 |
| <a href="#">Share Structure</a>                 | ELECTRONIC         | 2000/01/01                 |

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.



This is **Exhibit "E"** referred to in the  
Affidavit of **WHITNEY COLLISTER**  
affirmed before me this 23<sup>rd</sup> day of February 2026.



---

A Commissioner for Oaths  
in and for Alberta

**Amara C. Hewitt**  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires November 3, 2028

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

Date of Search: 2026/02/17  
Time of Search: 12:07 PM  
Search provided by: BENNETT JONES LLP (CALGARY)  
Service Request Number: 46515042  
Customer Reference Number: 99329-1/KC/aar

**Corporate Access Number:** 2018573952  
**Business Number:** 862034238  
**Legal Entity Name:** SUNWOLD FARMS LIMITED

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Method of Registration:** Amalgamation  
**Registration Date:** 2014/11/01 YYYY/MM/DD

**Registered Office:**

**Street:** 1600, 421 - 7TH AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P4K9

**Records Address:**

**Street:** 1600, 421 - 7TH AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P4K9

**Email Address:** GWLG.CALGARY.CORPORATE@GOWLINGWLG.COM

**Primary Agent for Service:**

| Last Name | First Name | Middle Name | Firm Name   | Street                                | City    | Province | Postal Code | Email                                 |
|-----------|------------|-------------|---|---------------------------------------|---------|----------|-------------|---------------------------------------|
| WILL      | STEVE      |             | GOWLING<br>WLG<br>(CANADA)<br>LLP/GOWLING<br>WLG<br>(CANADA)<br>S.E.N.C.R.L.,<br>S.R.L. | 1600,<br>421 -<br>7TH<br>AVENUE<br>SW | CALGARY | ALBERTA  | T2P4K9      | GWLG.CALGARY.CORPORATE@GOWLINGWLG.COM |

**Directors:**

**Last Name:** PRICE  
**First Name:** ARTHUR  
**Middle Name:** R.  
**Street/Box Number:** 242161 RR 34  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T3Z2G2

**Last Name:** PRICE  
**First Name:** RAY  
**Street/Box Number:** BOX 266, 294009 RANGE ROAD 260

City: KNEEHILL COUNTY  
Province: ALBERTA  
Postal Code: T0M0A0

**Voting Shareholders:**

Legal Entity Name: SUNTERRA FARMS LTD.  
Corporate Access Number: 208599100  
Street: BOX 266, 294009 RANGE ROAD 260  
City: KNEEHILL COUNTY  
Province: ALBERTA  
Postal Code: T0M0A0  
Percent Of Voting Shares: 100

**Details From Current Articles:**

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SCHEDULE "A" ATTACHED HERETO.  
Share Transfers: NO SHARES IN THE CAPITAL STOCK OF THE CORPORATION SHALL BE TRANSFERRED TO ANY PERSON  
Restrictions: WITHOUT THE APPROVAL OF THE BOARD OF DIRECTORS.  
Min Number Of Directors: 1  
Max Number Of Directors: 15  
Business Restricted To: NO RESTRICTIONS.  
Business Restricted From: NO RESTRICTIONS.  
Other Provisions: NO SECURITIES OF THE CORPORATION, OTHER THAN NON-CONVERTIBLE DEBT SECURITIES, SHALL BE TRANSFERRED TO ANY PERSON WITHOUT THE APPROVAL OF THE BOARD OF DIRECTORS.

**Other Information:**

**Amalgamation Predecessors:**

| Corporate Access Number | Legal Entity Name     |
|-------------------------|-----------------------|
| 2018435459              | QUAD AGRA LTD.        |
| 2011394372              | SUNWOLD FARMS LIMITED |

**Last Annual Return Filed:**

| File Year | Date Filed (YYYY/MM/DD) |
|-----------|-------------------------|
| 2024      | 2025/03/04              |

**Outstanding Returns:**

Annual returns are outstanding for the 2025 file year(s).

**Filing History:**

| List Date (YYYY/MM/DD) | Type of Filing  |
|------------------------|---|
| 2014/11/01             | Amalgamate Alberta Corporation                              |
| 2019/07/18             | Name/Structure Change Alberta Corporation                   |
| 2020/02/22             | Update BN   |
| 2025/03/04             | Enter Annual Returns for Alberta and Extra-Provincial Corp. |

|            |                               |
|------------|-------------------------------|
| 2025/03/04 | Change Director / Shareholder |
| 2025/05/07 | Change Agent for Service      |

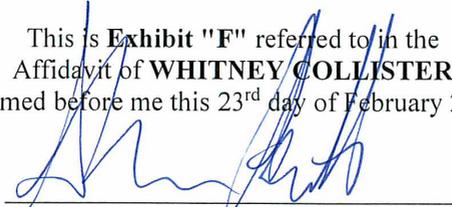
**Attachments:**

| <b>Attachment Type</b>          | <b>Microfilm Bar Code</b> | <b>Date Recorded (YYYY/MM/DD)</b> |
|---------------------------------|---------------------------|-----------------------------------|
| <a href="#">Share Structure</a> | ELECTRONIC                | 2014/11/01                        |
| Statutory Declaration           | 10000307115353240         | 2014/11/01                        |
| <a href="#">Share Structure</a> | ELECTRONIC                | 2019/07/18                        |

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.



This is **Exhibit "F"** referred to in the  
Affidavit of **WHITNEY COLLISTER**  
affirmed before me this 23<sup>rd</sup> day of February 2026.



\_\_\_\_\_  
A Commissioner for Oaths  
in and for Alberta

**Amara C. Hewitt**  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires November 3, 2028

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

Date of Search: 2026/02/17  
Time of Search: 12:08 PM  
Search provided by: BENNETT JONES LLP (CALGARY)  
Service Request Number: 46515056  
Customer Reference Number: 99329-1/KC/aar

**Corporate Access Number:** 207658741  
**Business Number:** 882714520  
**Legal Entity Name:** SUNTERRA ENTERPRISES INC.

**Name History:**

| Previous Legal Entity Name | Date of Name Change (YYYY/MM/DD) |
|----------------------------|----------------------------------|
| 765874 ALBERTA INC.        | 1999/10/27                       |

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Registration Date:** 1997/12/05 YYYY/MM/DD  
**Date of Last Status Change:** 2000/03/02 YYYY/MM/DD

**Registered Office:**

**Street:** 1600, 421 - 7TH AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P4K9

**Records Address:**

**Street:** 1600, 421 - 7TH AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P4K9

**Email Address:** GWLG.CALGARY.CORPORATE@GOWLINGWLG.COM

**Primary Agent for Service:**

| Last Name | First Name | Middle Name | Firm Name   | Street                                | City    | Province | Postal Code | Email                                 |
|-----------|------------|-------------|---|---------------------------------------|---------|----------|-------------|---------------------------------------|
| WILL      | STEVE      |             | GOWLING<br>WLG<br>(CANADA)<br>LLP/GOWLING<br>WLG<br>(CANADA)<br>S.E.N.C.R.L.,<br>S.R.L. | 1600,<br>421 -<br>7TH<br>AVENUE<br>SW | CALGARY | ALBERTA  | T2P4K9      | GWLG.CALGARY.CORPORATE@GOWLINGWLG.COM |

**Directors:**

**Last Name:** LORD  
**First Name:** JOYCE  
**Street/Box Number:** BOX 266, 294009 RANGE ROAD 260  
**City:** KNEEHILL COUNTY  
**Province:** ALBERTA  
**Postal Code:** T0M0A0

**Last Name:** PRICE  
**First Name:** DAVID  
**Street/Box Number:** BOX 266, 294009 RANGE ROAD 260  
**City:** KNEEHILL COUNTY  
**Province:** ALBERTA  
**Postal Code:** T0M0A0

**Last Name:** PRICE  
**First Name:** RAY  
**Street/Box Number:** BOX 266, 294009 RANGE ROAD 260  
**City:** KNEEHILL COUNTY  
**Province:** ALBERTA  
**Postal Code:** T0M0A0

**Last Name:** PRICE  
**First Name:** ALLAN  
**Street/Box Number:** BOX 266, 294009 RANGE ROAD 260  
**City:** KNEEHILL COUNTY  
**Province:** ALBERTA  
**Postal Code:** T0M0A0

**Last Name:** PRICE  
**First Name:** GLEN  
**Street/Box Number:** 251251 WELLAND DRIVE  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T3R1L3

**Last Name:** PRICE  
**First Name:** ARTHUR  
**Middle Name:** R.  
**Street/Box Number:** 242161 RR 34  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T3Z2G2

**Voting Shareholders:**

**Last Name:** PRICE  
**First Name:** DAVID  
**Street:** BOX 266, 294009 RANGE ROAD 260  
**City:** KNEEHILL COUNTY  
**Province:** ALBERTA  
**Postal Code:** T0M0A0  
**Percent Of Voting Shares:** 37.45

**Last Name:** PRICE  
**First Name:** ARTHUR  
**Street:** 242161 RR 34  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T3Z2G2  
**Percent Of Voting Shares:** 29.63

**Last Name:** PRICE  
**First Name:** DOUGLAS  
**Street:** BOX 266, 294009 RANGE ROAD 260

**City:** KNEEHILL COUNTY  
**Province:** ALBERTA  
**Postal Code:** T0M0A0  
**Percent Of Voting Shares:** 3.7

**Last Name:** PRICE  
**First Name:** GLEN  
**Street:** 251251 WELLAND DRIVE  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T3R1L3  
**Percent Of Voting Shares:** 10.12

**Last Name:** PRICE  
**First Name:** RAY  
**Street:** BOX 266, 294009 RANGE ROAD 260  
**City:** KNEEHILL COUNTY  
**Province:** ALBERTA  
**Postal Code:** T0M0A0  
**Percent Of Voting Shares:** 19.11

**Details From Current Articles:**

**The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** SEE SCHEDULE "A" ATTACHED HERETO  
**Share Transfers Restrictions:** NO SHARES OF THE CORP. SHALL BE TRANSFERRED TO ANY PERSON WITHOUT THE APPROVAL OF THE BOARD OF DIRECTORS  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 15  
**Business Restricted To:** NONE  
**Business Restricted From:** NONE  
**Other Provisions:** SEE SCHEDULE "B" ATTACHED HERETO

**Holding Shares In:**

| Legal Entity Name                    |
|--------------------------------------|
| WEST MARKET SQUARE INC.              |
| SUNWOLD FARMS LIMITED                |
| SUNTERRA BEEF LTD.                   |
| SUNTERRA KEYNOTE MARKET INC.         |
| PRECISION LIVESTOCK DIAGNOSTICS LTD. |

**Other Information:**

**Last Annual Return Filed:**

| File Year | Date Filed (YYYY/MM/DD) |
|-----------|-------------------------|
| 2024      | 2025/03/04              |

**Outstanding Returns:**

Annual returns are outstanding for the 2025 file year(s).

**Filing History:**

| List Date (YYYY/MM/DD) | Type of Filing  |
|------------------------|---|
| 1997/12/05             | Incorporate Alberta Corporation                             |
| 2000/02/01             | Status Changed to Start for Failure to File Annual Returns  |
| 2013/11/24             | Change Address  |
| 2015/10/22             | Name/Structure Change Alberta Corporation                   |
| 2020/02/17             | Update BN   |
| 2025/03/04             | Enter Annual Returns for Alberta and Extra-Provincial Corp. |
| 2025/03/05             | Change Director / Shareholder                               |
| 2025/05/13             | Change Agent for Service                                    |

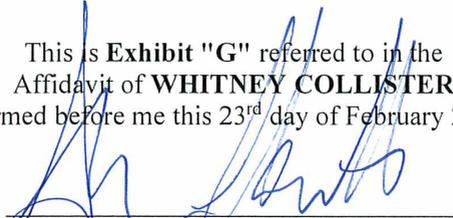
**Attachments:**

| Attachment Type                           | Microfilm Bar Code | Date Recorded (YYYY/MM/DD) |
|---|--------------------|----------------------------|
| <a href="#">Share Structure</a>           | ELECTRONIC         | 1999/10/27                 |
| <a href="#">Share Structure</a>           | ELECTRONIC         | 2015/10/22                 |
| <a href="#">Other Rules or Provisions</a> | ELECTRONIC         | 2015/10/22                 |

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.



This is **Exhibit "G"** referred to in the  
Affidavit of **WHITNEY COLLISTER**  
affirmed before me this 23<sup>rd</sup> day of February 2026.

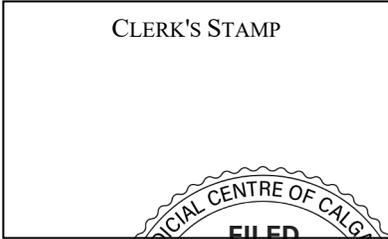


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A Commissioner for Oaths  
in and for Alberta

**Amara C. Hewitt**  
A Commissioner for Oaths  
in and for Alberta  
Commission Expires November 3, 2028

FORM 10  
[RULE 3.25]



COURT FILE NUMBER

2501-19283

COURT

COURT OF KING'S  
ALBERTA

JUDICIAL CENTRE

EDMONTON

PLAINTIFF

COMPEER FINANCIAL, PCA

DEFENDANT

SUNTERRA FARMS LTD.  
FARMS LIMITED,  
ENTERPRISES INC., RAY PRICE ^,  
DEBBIE UFFELMAN, CRAIG  
THOMPSON, DAVID PRICE,  
ARTHUR PRICE and GLEN PRICE

AMENDED *E. Wheaton*  
on Nov 28, 2025  
by order dated Nov 13, 2025  
**SUNWOLD**  
**SUNTERRA**

DOCUMENT

AMENDED STATEMENT OF CLAIM

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENT

**BENNETT JONES LLP**  
Barristers and Solicitors  
4500, 855 – 2nd Street S.W.  
Calgary, Alberta T2P 4K7  
Attention:  
Lincoln Caylor,  
Nathan J. Shaheen,  
Keely Cameron and  
Mathieu J. LaFleche  
Telephone No.: 403-298-3100  
Fax No.: 403-265-7219

**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.

**Statement of facts relied on:**

## Overview of Claim

1. This Action arises from the perpetration of a sophisticated international fraudulent Cheque Kiting Scheme (as detailed and defined herein) perpetrated against the plaintiff, Compeer Financial, PCA (“**Compeer**”), the result of which is that Compeer is currently facing losses of more than USD \$36,500,000.
2. The perpetrators of the Cheque Kiting Scheme include Sunterra Farms Ltd. (“**Sunterra Canada**”) and Sunwold Farms Limited (“**Sunwold Canada**” and, together, the “**Canadian Sunterra Entities**”), which are members of the Alberta-based “**Sunterra Group**” that is ultimately owned by the Price family.
3. The fraudulent and oppressive conduct of the Canadian Sunterra Entities, and the United States-based members of the Sunterra Group that were Compeer’s customers, was undertaken by Ray Price (“**Price**”)<sup>^</sup>, Debbie Uffelman (“**Uffelman**”) and Craig Thompson (“**Thompson**”), who were directors and ^ officers, and/or otherwise authorized to act on behalf, of corporations in the Sunterra Group, including the Canadian Sunterra Entities.
4. Price<sup>^</sup>, Uffelman and Thompson were directly and personally involved with the tracking, preparing, signing and delivery of cheques ^ to Compeer, and at least Price and Thompson were so involved with preparing, signing and delivery of lending and financing documents to Compeer, all of which was in furtherance of the Cheque Kiting Scheme.
5. Through their direct and personal involvement, Price<sup>^</sup>, Uffelman and Thompson not only caused the Canadian Sunterra Entities to perpetrate the Cheque Kiting Scheme, but sought to conceal the Cheque Kiting Scheme from Compeer. Their fraudulent conduct gives rise to the liability of the Canadian Sunterra Entities, as well as their personal liability.
6. In addition, Sunterra Enterprises Inc. (“**Sunterra Enterprises**”), which is another member of the Sunterra Group and the holding company of Compeer’s customers, provided contractual guarantees for amounts owing to Compeer. It has failed to satisfy those guarantees despite Compeer’s demands made in April 2025. Sunterra Enterprises is therefore also liable for Compeer’s losses.

7. By way of this Action, Compeer seeks a declaration that the Cheque Kiting Scheme constitutes fraud and judgment in the amount of its losses and related expenses, plus related relief, including an award of punitive damages reflecting its status as the victim of the fraudulent Cheque Kiting Scheme and the egregiously wrongful conduct of the defendants.

### **The Parties**

8. Compeer is an instrumentality under the laws of the United States, with its headquarters in Sun Prairie, Wisconsin. It is a member-owned, Farm Credit cooperative serving and supporting agriculture and rural communities. Compeer provides loans, leases, risk management, and other financial services throughout 144 counties in Illinois, Minnesota and Wisconsin.
9. The Canadian Sunterra Entities are incorporated under the laws of the Province of Alberta. They carry on the business of owning and operating Alberta livestock facilities at which sows give birth to piglets, which are then sold to the U.S. Sunterra Entities (defined below).
10. Sunterra Enterprises is incorporated under the laws of the Province of Alberta. It is a holding company that holds the shares of, among other entities:
- (a) Sunterra Farms Iowa, Inc. (“**Sunterra U.S.**”), a corporation incorporated under the laws of the State of Iowa; and
  - (b) Sunwold Farms, Inc. (“**Sunwold U.S.**”), a corporation incorporated under the laws of the State of South Dakota
- (together, the “**U.S. Sunterra Entities**”).
11. The U.S. Sunterra Entities, along with another member of the Sunterra Group, Lariagra Farms South, Inc. (“**Lariagra U.S.**”), a corporation incorporated pursuant to the State of South Dakota, were at relevant times customers of Compeer. The U.S. Sunterra Entities and Lariagra U.S. are now in receivership in the jurisdiction of the U.S. Federal Court located in the State of South Dakota, as described herein.

12. The Canadian Sunterra Entities, Sunterra Enterprises, the U.S. Sunterra Entities, and Lariagra U.S. are various of the members of the Sunterra Group, a group of related entities ultimately owned and controlled by the Price family. The business of the Sunterra Group includes a multifaceted, and fully integrated, farm to market enterprise across multiple sectors of the agricultural and food distribution industries.
13. Price is a member of the Price family who resides primarily in the Province of Alberta. At relevant times, he was the President of the Sunterra Group. Price was among the officers and/or directors, and the ultimate beneficial owners, of each of the Canadian Sunterra Entities and Sunterra Enterprises. He was also an officer and/or director, and an ultimate beneficial owner, of each of the U.S. Sunterra Entities and Lariagra U.S.
14. Uffelman is an individual who resides primarily in the Province of Alberta. At relevant times, she was the Vice President, Corporate Finance and/or Chief Financial Officer of the Sunterra Group, with knowledge and oversight of, and responsibility for, the finances of the Sunterra Group at large, including each of the Canadian Sunterra Entities, Sunterra Enterprises, the U.S. Sunterra Entities and Lariagra U.S.
15. Thompson is an individual who resides primarily in the Province of Alberta. At relevant times, his job title was "Accounting" or "Controller" and, in any event, he carried out accounting functions for the Canadian Sunterra Entities and Lariagra Farms Ltd. Thompson also had knowledge and oversight of, and responsibility for, the finances of the Canadian Sunterra Entities, the U.S. Sunterra Entities and Lariagra U.S.
16. David Price, Athur Price and Glen Price are members of the Price family and brothers of Price (collectively, the "Price Directors"). They are each individuals who reside primarily in the Province of Alberta. At relevant times, the Price Directors were directors of one or more of the Canadian Sunterra Entities and/or Sunterra Enterprises, and were among the ultimate beneficial owners of those entities and the other members of the Sunterra Group.

### **Compeer's Provision of Products and Services to the Sunterra Group**

17. Since in or around 2005, Compeer provided revolving lines of credit ("RLOCs") to the U.S. Sunterra Entities and Lariagra U.S. At relevant times, Compeer extended the RLOCs

pursuant to a “Promissory Note/Loan Agreement” that was respectively entered into from time-to-time by each of the U.S. Sunterra Entities.

18. The purpose of the RLOCs was to fund the operations of the U.S. Sunterra Entities and Lariagra U.S. At relevant times, those operations consisted of:

- (a) Sunterra U.S. is a pig management company. It managed approximately 500,000 pig spaces, of which approximately 110,000 were in South Dakota and housed pigs owned by Sunwold U.S. or Lariagra U.S. Sunterra U.S.’s revenues were generated by management fees it charged for managing pigs; and
- (b) Sunwold U.S. and Lariagra U.S. are “wean-to-finish” operations. They purchased weaned pigs (from Canadian members of the Sunterra Group), and then raised those pigs to market weight in contract nursery and finishing barns in South Dakota.

19. Consistent with their prior arrangements, on October 7, 2024, Compeer entered into Promissory Note/Loan Agreements with the U.S. Sunterra Entities and Lariagra U.S. for the purpose of establishing RLOCs with each of those entities.

20. The three RLOCs established by Compeer on October 7, 2024 allowed for borrowing up to a combined USD \$11,500,000, as follows:

- (a) Sunterra U.S. established a USD \$500,000 RLOC;
- (b) Sunwold U.S. established a USD \$7,000,000 RLOC; and
- (c) Lariagra U.S. established a USD \$4,000,000 RLOC.

21. Each Promissory Note/Loan Agreement provided a Maturity Date of May 1, 2025, and was executed by Price in his capacity as President/Secretary, and by Uffelman in her capacity as Chief Financial Officer.

22. Each of the foregoing RLOCs was secured by a “Security Agreement” under which the U.S. Sunterra Entities and Lariagra U.S. granted Compeer a senior, perfected security interest in various items of personal property, including the 110,000 pigs in South Dakota.

23. The Security Agreement of Sunterra U.S. was executed by Price in his capacity as President, and by Uffelman in her capacity as Chief Financial Officer, on September 26, 2023. The combined Security Agreement of Sunwold U.S. and Lariagra U.S. was executed by Price in his capacity as President/Secretary, and by Uffelman in her capacity as Chief Financial Officer, on October 7, 2024.
24. The RLOCs were also coupled with financial products called “Farm Cash Management” accounts (“**FCM Accounts**” and, together with the RLOCs, the “**Compeer Accounts**”). The FCM Accounts allowed the U.S. Sunterra Entities and Lariagra U.S. to deposit excess funds and earn interest on those funds, similar to a money market account.
25. When the Compeer Accounts were in a net borrowing or “draw” position, Compeer was owed funds under the Promissory Note/Loan Agreements, as secured by the collateral under the Security Agreements. When the Compeer Accounts were in a net positive or “balance” position, interest would be earned and paid to the U.S. Sunterra Entities and Lariagra U.S. on the positive balance.
26. Importantly, the Compeer Accounts included cheque writing privileges. More specifically, the RLOCs and FCM Accounts worked together, allowing the U.S. Sunterra Entities and Lariagra U.S. to write cheques in amounts equal to the combined total of their credit limit (USD \$11,500,000) and any positive balance in their FCM Accounts.
27. In this way, for example, if Sunwold U.S. was in a net “draw” position of USD \$5,000,000 (on a RLOC of USD \$7,000,000), it could write cheques up to USD \$2,000,000 against its Compeer Accounts. By contrast, if Sunwold U.S. had a net “balance” of USD \$5,000,000, they could write cheques up to USD \$12,000,000 against their Compeer Accounts.
28. Each of the foregoing lending arrangements were the subject of a “Continuing Guaranty Agreement” between Compeer and Sunterra Enterprises, as follows:
- (a) On September 26, 2023, Sunterra Enterprises guaranteed the indebtedness of Sunterra U.S. owing to Compeer in an unlimited amount;

- (b) On August 28, 2023, Sunterra Enterprises guaranteed the indebtedness of Sunwold U.S. owing to Compeer in the amount of USD \$3,000,000; and
  - (c) On August 28, 2023, Sunterra Enterprises guaranteed the indebtedness of Lariagra U.S. owing to Compeer in the amount of USD \$3,000,000
- (together, the “**Guarantees**”).

29. Compeer relied on the Guarantees, which expressly acknowledged that they were being provided to induce Compeer to extend or continue the provision of credit through “future loans and advances” to the U.S. Sunterra Entities and Lariagra U.S. Each Continuing Guaranty Agreement that gave rise to the Guarantees was executed by Price in his capacity as “President” of Sunterra Enterprises.

#### **The Canadian Sunterra Group Members’ Arrangements with National Bank of Canada**

30. During the period that Compeer provided the Compeer Accounts, Canadian Western Bank (which has since amalgamated and continued under the name “National Bank of Canada” (“**National Bank**”)) extended secured credit and provided commercial banking services, including the operation of bank accounts (the “**National Bank Accounts**”), to Canadian members of the Sunterra Group, including the Canadian Sunterra Entities.

31. Like how the Compeer Accounts provided the U.S. Sunterra Entities (and Lariagra U.S.) with cheque writing privileges, the National Bank Accounts also provided the Canadian Sunterra Entities with cheque writing privileges.

#### **The Historical Operation of the Compeer Accounts**

32. Over the years, Compeer’s relationship with the U.S. Sunterra Entities and Lariagra U.S. became longstanding and one that Compeer reasonably afforded considerable respect and trust. The reasons included what Compeer understood to be its regular, open and transparent engagement with Price and Uffelman, in their roles as officers and/or directors of the U.S. Sunterra Entities, Lariagra U.S., and other Sunterra Group members.

33. In engaging with Compeer, Price and Uffelman had – and made clear to Compeer that they had – deep, firsthand knowledge of the Sunterra Group’s affairs, including the integrated financial affairs of the Sunterra Group’s members. At the same time, Compeer understood Price to be well-known and reputable in the industries in which the Sunterra Group operated, and understood Uffelman to have long been Price’s trusted second-in-command.
34. Price and Uffelman consistently signed and/or delivered to Compeer the financial records required by the Promissory Note/Loan Agreements. Such financial records related to, among other things, the creditworthiness of the U.S. Sunterra Entities and Lariagra U.S., and compliance of Sunwold U.S. and Lariagra U.S. with their covenants under the Promissory Note/Loan Agreements (the “**Covenants**”).<sup>1</sup>
35. Having received such financial information and records, Compeer applied its usual processes and, by doing so, consistently understood that Sunwold U.S. and Lariagra U.S. were generally in compliance with the Covenants, as required by the Promissory Note/Loan Agreements. When there was non-compliance with the Covenants, such non-compliance was addressed to Compeer’s satisfaction.

### **The Sunterra Group’s Use of Cheques for Intercompany Transactions**

36. Over the years, and increasingly so in recent years, Compeer raised with Price and Uffelman the manner in which the U.S. Sunterra Entities’ Compeer Accounts were used in connection with the Sunterra Group’s approach to intercompany transactions between its U.S. and Canadian operations.
37. In particular, the U.S. Sunterra Entities regularly used cheques drawn on the National Bank Accounts of the Canadian Sunterra Entities to make deposits into their Compeer Accounts. Similarly, the Canadian Sunterra Entities regularly used cheques drawn on the U.S. Sunterra Entities’ Compeer Accounts to make deposits into their National Bank Accounts. Most or all such cheques flowing in both directions were signed by Uffelman, with the knowledge of and at the direction of Price, who oversaw the Sunterra Group’s affairs, and

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<sup>1</sup> The Covenants did not apply to Sunterra U.S. because it primarily operated a swine management company with limited assets that consisted almost entirely of the accounts receivable for the management fees it received.

in coordination with Thompson, who among other things determined the amounts of the cheques that were signed by Uffelman.

38. Compeer was required to undertake a time-consuming, manual, and broadly inefficient process to verify, clear, and settle cheques presented by the U.S. Sunterra Entities and drawn on the National Bank Accounts. This was particularly the case compared to alternative methods of cross-border intercompany transactions such as wire transfers.
39. In addition, the underlying funds from a cheque drawn on the National Bank Accounts were not available to Compeer until the cheque was verified, cleared, and settled by Compeer in the Compeer Accounts. Such a delay from when a cheque was deposited until the funds were made available is referred to as the “float” and could take up to a few days.
40. Like many commercial banking customers at Compeer and elsewhere, the U.S. Sunterra Entities were not subject to holds on funds deposited via cheque during the float. Accordingly, the cheques deposited by the U.S. Sunterra Entities and drawn on the Canadian Sunterra Entities’ National Bank Accounts resulted in funds being immediately available for use, in the amount of the face value of the cheques, by way of conditional credit, before the underlying funds were cleared and settled by Compeer.
41. Similarly, Canadian Sunterra Entities were not subject to holds on funds deposited into their National Bank Accounts during the float, including on any cheques drawn on the U.S. Sunterra Entities’ Compeer Accounts.
42. Prior to 2025, Compeer understood that the float and corresponding conditional credit resulting from the use of cheques drawn on the Canadian Sunterra Entities’ National Bank Accounts, as well as the inefficiencies that resulted from relying on cross-border cheques, was the cause of overdraft positions that at times occurred on the RLOCs, particularly as the Sunterra Group’s business appeared to grow over time.
43. Compeer retained discretion regarding how to respond to any such overdraft. Prior to February 2025, overdrafts on the RLOCs were promptly remedied through the deposit of further amounts via cheque by the U.S. Sunterra Entities. With that being the case – and given Compeer’s longstanding relationship with the Sunterra Group, and its understanding

that the overdraft resulted from the Sunterra Group's typical use of cheques being sent from Canada to the United States – Compeer exercised its discretion to take no further action in response to the overdrafts at that time.

44. Compeer nonetheless raised with Price and Uffelman the manner in which the U.S. Sunterra Entities' Compeer Accounts were used in connection with the Sunterra Group's approach to cross-border intercompany transactions, including potential alternatives that would see the U.S. Sunterra Entities move away from reliance on cheques for such transactions, to achieve a more efficient process that was less likely to result in overdrafts.
45. Although Price and Uffelman advised in response that there were legitimate business reasons for the Sunterra Group's approach and use of cheques, and that they were pursuing alternatives to using cheques, at all relevant times the U.S. Sunterra Entities continued to rely on cheques drawn on, and deposited to, their Compeer Accounts.
46. Ultimately, at Compeer's insistence, Price and Uffelman committed that the Sunterra Group would implement an alternative to undertaking intercompany transactions by cheques by the end of 2024. By that agreed-upon deadline, however, the Sunterra Group remained reliant on cheques for such transactions, and Price and Uffelman requested a brief extension to implement an alternative to the use of cheques for cross-border intercompany transactions. Given the history of the relationship, Compeer permitted that brief extension.

### **The Events of Early 2025**

47. In the early weeks of 2025, despite Price and Uffelman having committed that the Sunterra Group would imminently implement an alternative to undertaking cross-border intercompany transactions by cheques, the Sunterra Group's use of cheques drawn on and deposited to the U.S. Sunterra Entities' Compeer Accounts accelerated. In this regard:

  - (a) Between January 1, 2025 and February 10, 2025, 474 cheques were drawn on the U.S. Sunterra Entities' Compeer Accounts, in the total amount of USD \$431,301,200, all for deposit into the Canada Sunterra Entities' National Bank Accounts; and

- (b) During the same period, the U.S. Sunterra Entities deposited 472 cheques in the total amount of USD \$432,359,712.35 into their Compeer Accounts, all drawn on the Canadian Sunterra Entities' National Bank Accounts.
48. These simultaneous transfers occurred nearly daily throughout this period, and averaged approximately 18 cheques for a total amount of USD \$16,588,508 out of the U.S. Sunterra Entities' Compeer Accounts *each day*. In total, in just over the first month of 2025, USD \$863,660,912 was deposited into the Compeer Accounts and the National Bank Accounts, which greatly exceeded the total revenue of the entire Sunterra Group for the fiscal year ending December 31, 2024, which was CAD \$143,968,018.
49. As a result, by February 10, 2025, Compeer was aware that, contrary to the commitments of Price and Uffelman to implement an alternative approach, the U.S. Sunterra Entities:
- (a) Used the cheque-writing features on their Compeer Accounts to write even more cheques each day, which were being deposited the same day (apparently reflecting that the cheques were being signed in Alberta, primarily by Uffelman) into the Canadian Sunterra Entities' National Bank Accounts;
  - (b) Simultaneously sent Compeer even more cheques each day drawn against those same National Bank Accounts to pay down its RLOCS and/or increase the balance in their FCM Accounts with Compeer;
  - (c) Transacted funds through the Compeer Accounts in the January 1, 2025 to February 10, 2025 period in a volume that outpaced the annual reported and projected revenues and other financial metrics of the Sunterra Group; and
  - (d) Issued cheques in denominations generally ranging between USD \$800,000 and USD \$990,000, and no single cheque exceeded USD \$1,000,000.
50. The denominations of the cheques was significant because a cheque deposited across international lines for USD \$1,000,000 or more would have triggered additional scrutiny or delays (whether caused by the United States Bulk Exchange or otherwise), which Price <sup>^</sup>, Uffelman and Thompson sought to avoid.

51. As a result, on February 11, 2025, Compeer personnel spoke with Price by videoconference in an effort to better understand the Sunterra Group's cheque-writing activity.
52. During that conversation, despite his direct, personal involvement with the Sunterra Group and the U.S. Sunterra Entities' Compeer Accounts (and his active coordination with Uffelman), Price stated that he was unsure of the reason for the activity other than to say that it was a "timing" issue. He further advised that he would have to consult with other Sunterra Group personnel to further advise Compeer about the reason for the activity.
53. Compeer was not satisfied with, and was concerned by, Price's statements made during the February 11, 2025 videoconference. As a result, later that day, Compeer notified Price in writing that it was exercising its right to terminate cheque-writing privileges for the Compeer Accounts, while also stating that it would consider permitting cheques to be written for necessary operational expenses, such as to feed animals.
54. In accordance with its written notice, on February 11, 2025, Compeer took action to ensure that cheques written on the Compeer Accounts would need to be manually approved by Compeer, so that Compeer could actively monitor all cheque-writing activity.
55. Despite its written notice, later on February 11, 2025, Compeer learned that 18 cheques had been drawn on the U.S. Sunterra Entities' Compeer Accounts for intercompany transfers to the Canadian Sunterra Entities' National Bank Accounts totaling USD \$16,302,000. Compeer relied on its written notice to dishonour those 18 cheques.
56. On the morning of February 12, 2025, Compeer received another batch of cheques totaling approximately USD \$9,000,000 drawn on the Canadian Sunterra Entities' National Bank Accounts to pay down the U.S. Sunterra Entities' RLOCS and/or increase the balance in their FCM Accounts with Compeer.
57. Later on February 12, 2025, having received that batch of cheques, Compeer personnel had another videoconference with Price. During that call, Price admitted:

- (a) The U.S. Sunterra Entities were moving funds back and forth between Compeer and National Bank to ensure that the U.S. Sunterra Entities had sufficient funds to avoid causing their RLOCs at Compeer to go into an overdraft position;
  - (b) The U.S. Sunterra Entities should not have done what they did;
  - (c) The practice of sending cheques back and forth between the same accounts was “wrong”;
  - (d) If Compeer deposited the USD \$9,000,000 in cheques received earlier that day but did not permit new cheques to be drawn on the Compeer Accounts to be immediately deposited in the Canadian Sunterra Entities’ National Bank Accounts, those National Bank Accounts would go into overdraft;
  - (e) If Compeer did not allow the U.S. Sunterra Entities to move money from Compeer to National Bank, then they would not have enough money to cover their operational expenses;
  - (f) That he felt “badly” that Compeer had been paying interest to the U.S. Sunterra Entities for the positive FCM Account balances; and
  - (g) That he believed that Compeer was holding more than USD \$20 million in positive FCM Account balances that he wanted sent back to the National Bank Accounts, at least in part, to cover the overdraft position of the Canadian Sunterra Entities at National Bank.
58. Price’s request amounted to seeking to have Compeer to continue the conduct that he knew, and had admitted to Compeer, constituted a fraudulent cheque kiting scheme, the particulars of which are pleaded further below.
59. After the February 12, 2025 videoconference, Compeer confirmed to Price that it would not deposit the USD \$9,000,000 in cheques that had been presented to Compeer for deposit drawn on the Canadian Sunterra Entities’ National Bank Accounts.

60. On February 13, 2025, Compeer personnel spoke again with Price. At that time, Price advised that the Canadian Sunterra Entities' National Bank Accounts were overdrawn by approximately USD \$21 million, and those entities needed money sent back from Compeer to cover those overdraft positions.
61. In response, Compeer advised Price that it could not release any funds unless it could verify that there were good and valid funds in the National Bank Accounts from which the cheques delivered to Compeer would be drawn. Compeer requested that Price consent to Compeer communicating directly with National Bank to verify the existence of such funds, but Price would not provide that consent.
62. Similarly, since Compeer was restricted from sharing information about the U.S. Sunterra Entities with National Bank, Compeer repeatedly requested consent from Price and from other principals of the Sunterra Group, namely Price's brothers Arthur Price ^ or Glen Price, to communicate directly with National Bank, but those requests were refused.
63. On February 10, 2025, the Compeer Accounts of the U.S. Sunterra Entities and Lariagra U.S. had a combined positive balance of approximately USD \$21,000,000 in funds payable to the U.S. Sunterra Entities and Lariagra U.S., comprised of:
- (a) A positive FMC Account balance of approximately USD \$14 million in favour Sunterra U.S.;
  - (b) A positive FMC Account balance of approximately USD \$10 million in favour of Sunwold U.S.; and
  - (c) A draw of approximately USD \$3 million on the RLOC of Lariagra U.S.
64. However, during the week of February 24, 2025, Compeer determined that National Bank had dishonoured 65 cheques totaling USD \$59,900,000 that had been previously credited by Compeer to the U.S. Sunterra Entities' Compeer Accounts.
65. As a result, the approximately USD \$21,000,000 positive cash balance that was showing as owed to the U.S. Sunterra Entities and Lariagra U.S. was immediately wiped out and, instead, there was more than USD \$30,000,000 of debt owing from the U.S. Sunterra

Entities and Lariagra U.S. This was the case despite their combined credit limit of only USD \$11,500,000 with Compeer.

66. After accounting for additional deposits and withdrawals from the U.S. Sunterra Entities' Compeer Accounts, the total indebtedness of the U.S. Sunterra Entities and Lariagra U.S. to Compeer at the time of this statement of claim is over USD \$36,500,000.
67. Compeer repeatedly requested additional information from Price and Arthur Price about the Sunterra Group's finances in Canada and its financial position with National Bank, but Price and Arthur Price continued to refuse to permit Compeer to communicate substantively with National Bank and refused to provide transparency about the Sunterra Group's financial condition or Compeer's exposure to additional losses. Such refusals impeded Compeer's ability to understand the true use of the Compeer Accounts.

### **The Fraudulent Cheque Kiting Scheme**

68. The foregoing circumstances, and the steps taken by Compeer to pursue this action, have resulted in disclosure of the fact that at least Price ^, Uffelman and Thompson caused at least the U.S. Sunterra Entities and the Canadian Sunterra Entities to perpetrate a highly-sophisticated and fraudulent cheque kiting scheme against Compeer (the "Cheque Kiting Scheme"). The same conclusion has been reached by National Bank, which was the other victim of the Cheque Kiting Scheme.
69. The time at which the Cheque Kiting Scheme commenced is not currently known to Compeer, but with the information now known to Compeer, it appears likely to have been going on for years. The evidence of Price, Uffelman and Thompson, delivered in their personal capacities and on behalf of the Canadian Sunterra Entities, includes admissions of conduct amounting to the perpetration of the Cheque Kiting Scheme that they admit to having undertaken "always" and at least back to 2011.
70. In summary, the Cheque Kiting Scheme consisted of fraudulent conduct that took advantage of the float and the corresponding conditional credit that was provided by Compeer and National Bank in connection with the deposit of cheques by the U.S. Sunterra Entities (in the case of Compeer) and the Canadian Sunterra Entities (in the case of National

Bank). It required the continuous issuance of additional cheques, as between the U.S. Sunterra Entities on one hand, and the Canadian Sunterra Entities on the other hand, to satisfy amounts drawn by existing cheques with new conditional credit accrued with the issuance and deposit of new cheques.

71. The Cheque Kiting Scheme was undertaken, and could only have been undertaken, deliberately and with sufficient knowledge of the manner in which Compeer and National Bank respectively verified, cleared, and settled cheques, including regarding the extension of conditional credit and the lack of holds on cheques during the float. Only Price <sup>^</sup>, Uffelman and Thompson (and potentially others from the Sunterra Group with whom they coordinated) had such knowledge, which resulted from the manner in which they caused cross-border intercompany transactions to be conducted by cheque using the Compeer Accounts and the National Bank Accounts.

72. More specifically, the Cheque Kiting Scheme was undertaken as follows:

- (a) The Canadian Sunterra Entities would issue a first set of cheques payable to the U.S. Sunterra Entities from their National Bank Accounts knowing that those cheques could not be satisfied by the balances in their accounts;
- (b) For the reasons described above, the denominations of those cheques ultimately would be in amounts close to – but not exceeding – USD \$1,000,0000, which was a deliberate tactic to transact significant funds while evading detection of the fraud;
- (c) Once the first set of cheques was deposited to the U.S. Sunterra Entities' Compeer Accounts, those entities would immediately issue a second set of cheques payable to the Canadian Sunterra Entities knowing that <sup>^</sup> sufficient funds were only available in their Compeer Accounts to clear the cheques by virtue of the conditional credit from depositing the first set of cheques from the Canadian Sunterra Entities;
- (d) The second set of cheques from the U.S. Sunterra Entities would then be immediately deposited into the Canadian Sunterra Entities' National Bank Accounts so that <sup>^</sup> sufficient funds available by virtue of the conditional credit from

that second set of cheques would be available to backstop the amounts required to satisfy the first set of cheques payable from the National Bank Accounts; and

- (e) In this way, the fact that the Canadian Sunterra Entities' National Bank Accounts did not have sufficient funds to satisfy the first set of cheques payable to the U.S. Sunterra Entities was concealed from both Compeer and from National Bank.

73. Unbeknownst to Compeer until February 2025, the foregoing fraudulent process appears to have been undertaken at least hundreds of times, resulting in thousands of cheques amounting to billions of dollars being issued over the course of the Cheque Kiting Scheme.

74. Consistent with the foregoing, intercompany transactions described above had no legitimate commercial purpose. Rather, the purpose of those transactions was fraudulent and undertaken to illegitimately access credit and misappropriate funds from Compeer (and National Bank), and to fraudulently conceal that the Cheque Kiting Scheme was ongoing.

75. Accordingly, at least each of the U.S. Sunterra Entities and the Canadian Sunterra Entities knowingly and deliberately participated in the Cheque Kiting Scheme. They did so with the knowledge and at the direction of at least Price ^, Uffelman and Thompson. In response to Compeer's action, Price, Uffelman and Thompson have admitted to conduct that amounts to the coordinated and sustained perpetration of the Cheque Kiting Scheme.

76. Given the nature of the Cheque Kiting Scheme, each and every time the Canadian Sunterra Entities issued a cheque to the U.S. Sunterra Entities, the issuing entity made a representation that it had the capacity to honour the cheque that was being issued.

77. Such representations were false and were known to be false at all relevant times by Price, who exercised control and influence over the affairs and finances of the U.S. Sunterra Entities and the Canadian Sunterra Entities. Price also repeatedly engaged with Compeer regarding the Sunterra Group's use of cheques to undertake intercompany transactions, knowing (but omitting to advise Compeer) that such transactions had no legitimate purpose but were instead being undertaken in furtherance of the Cheque Kiting Scheme.

78. Such representations were also known to be false at all relevant times by Uffelman, who also exercised control and influence over the affairs and finances of the U.S. Sunterra Entities and the Canadian Sunterra Entities, and who personally signed the cheques used to perpetrate the Cheque Kiting Scheme. Uffelman also repeatedly engaged with Compeer regarding the Sunterra Group's use of cheques to undertake intercompany transactions, knowing (but omitting to advise Compeer) that such transactions had no legitimate purpose but were instead being undertaken in furtherance of the Cheque Kiting Scheme.
79. Such representations were also known to be false at all relevant times by Thompson, who also exercised control and influence over the affairs of the U.S. Sunterra Entities and the Canadian Sunterra Entities, and who personally determined the amounts of, and caused to be prepared, the cheques used to perpetrate the Cheque Kiting Scheme.
80. In addition, given the nature of the Cheque Kiting Scheme, each and every time Price ^, Uffelman and Thompson knowingly caused or permitted the Canadian Sunterra Entities to deposit a cheque drawn on the U.S. Sunterra Entities' Compeer Accounts, they did so knowing that there were inadequate funds in those accounts and that they were defrauding Compeer. They have now admitted that the Canadian and U.S. Sunterra Entities never had adequate funds and, in the case of Price, admitted to undertaking the conduct that amounted to the Cheque Kiting Scheme, including the reliance on conditional credit extended by Compeer and National Bank, in hopes that the Sunterra Group may at some point in the future generate sufficient funds through legitimate commercial activity to cover the amount of the cheques, but that such time never came.
81. The knowledge and direct personal involvement of Price ^, Uffelman and Thompson, all of which is binding on the Canadian Sunterra Entities, also includes:
- (a) The Sunterra Group utilized a unified accounting system that integrated all financial activities, including the activities of the U.S. Sunterra Entities and the Canadian Sunterra Entities. As a result, those with access to, knowledge of and responsibility for the financial activities of the Sunterra Group – including Price ^, Uffelman and Thompson – knew that there were insufficient funds at Compeer and National Bank

to cover the cheques used to perpetrate the Cheque Kiting Scheme, consistent with all such cheques being fraudulent misrepresentations;

- (b) Price and Uffelman executed the Promissory Note/Loan Agreements with Compeer on behalf of the U.S. Sunterra Entities and Lariagra U.S. on October 7, 2024 (and previously). They did so knowing they were perpetrating the Cheque Kiting Scheme, in coordination with Thompson, and intending to use the RLOCs provided pursuant to those Promissory Note/Loan Agreements to continue to perpetrate and conceal the Cheque Kiting Scheme;
- (c) Price and Uffelman executed the Security Agreements on behalf of Sunterra U.S. on September 26, 2023, and Sunwold U.S. and Lariagra U.S. on October 7, 2024 (and previously). They did so knowing they were perpetrating the Cheque Kiting Scheme, in coordination with Thompson, and intending to use the Security Agreements to purport to provide security in connection with the RLOCs, and thereby continue to perpetrate and conceal the Cheque Kiting Scheme;
- (d) Price executed the Continuing Guaranty Agreements on behalf of Sunwold U.S. and Lariagra U.S. on August 28, 2023, and Sunterra U.S. on September 26, 2023 (and previously). He did so knowing that he <sup>^</sup>, Uffelman and Thompson were perpetrating the Cheque Kiting Scheme and intending to use the Guarantees to purport to provide further security or financial backing in connection with the RLOCs to thereby continue to perpetrate and conceal the Cheque Kiting Scheme;
- (e) Price and Uffelman repeatedly provided (or caused to be provided) financial information and records to Compeer. They did so knowing that they were actively perpetrating the Cheque Kiting Scheme, in coordination with Thompson, doing so was a means of maintaining and concealing their perpetration of the Cheque Kiting Scheme using the Compeer Accounts, and at least certain such financial information and records were false due to the Cheque Kiting Scheme; and

- (f) Misrepresentations and omissions by Price ^, Uffelman and Thompson to actively conceal the approach to cross-border intercompany transactions and the role of cheques in undertaking those transactions.

82. The funds misappropriated from Compeer by way of the Cheque Kiting Scheme were received or applied for the ultimate benefit of at least the U.S. Sunterra Entities and the Canadian Sunterra Entities. In addition, prior to discovery of the Cheque Kiting Scheme, the U.S. Sunterra Entities generated profits derived from the misappropriated funds, including interest payments on the fraudulent positive balances in the FCM Accounts, all of which was known by Price and Uffelman as it occurred.
83. Further particulars of the manner in which the Cheque Kiting Scheme was undertaken is within the knowledge of those individuals who undertook such fraudulent conduct, including Price ^, Uffelman and Thompson, including others who participated with them.

#### **Compeer's Response to the Cheque Kiting Scheme To Date**

84. On March 10, 2025, Compeer issued notices of default and demands for accelerated payment to the U.S. Sunterra Entities and Lariagra U.S. However, the U.S. Sunterra Entities and Lariagra U.S have failed to respond to or satisfy those demands, in whole or in part.
85. On March 18, 2025, Compeer filed a complaint in South Dakota State Court against the U.S. Sunterra Entities and Lariagra U.S. It did so out of concern about the well-being of the pigs under those entities' control, which formed Compeer's collateral. Compeer understood that the pigs lacked feed and veterinary care, and were potentially not being kept warm. Compeer alleged that its claims against the U.S. Sunterra Entities and Lariagra U.S. arose from "a check kiting scheme involving billions of dollars fraudulently transferred by the Defendants and their principals between Canada and the United States." The case was later removed to the U.S. District Court, District of South Dakota.
86. On March 28, 2025, the U.S. District Court granted Compeer's motion and appointed Pipestone Management II, LLC as the receiver of the U.S. Sunterra Entities and Lariagra U.S. (the "U.S. Receiver") with duties that include investigating the Cheque Kiting

Scheme. In its Opinion and Order appointing the U.S. Receiver, the U.S. District Court recited the facts put forward by Compeer in respect of the Cheque Kiting Scheme and concluded: “The evidence at the hearing supports the facts from the pleadings [of cheque kiting] cited above and is hereby incorporated by reference into this Opinion and Order.”

87. Compeer has continued to advance funds to the U.S. Sunterra Entities and Lariagra U.S. necessary to advance the mandate of the U.S. Receiver, including caring for the pigs. Although the U.S. Receiver is also mandated to investigate the Cheque Kiting Scheme and help maintain the value of the relevant personal property that is to secure any indebtedness to Compeer, the realizable value of that property is significantly less than the USD \$36,500,000 currently owing to Compeer.

88. In addition, on April 11, 2025, Compeer made a demand of Sunterra Enterprises on the Guarantees in the amount of USD \$25,729,079.66, which was the amount for which Sunterra Enterprises was liable at that time (accounting for the limits on the Guarantees and accumulated interest, which is now greater). In breach of the Guarantees, Sunterra Enterprises has neglected or refused to pay any amounts under the Guarantees.

89. Separately, National Bank brought an application in Alberta for the appointment of a receiver over all members of the Sunterra Group. In that application, National Bank’s position, and its evidence, was that the “members of the Sunterra Group appear to have conducted a highly sophisticated cheque kiting scheme...involving bank accounts in Canada and the United States”, and described Compeer as a victim of that scheme.

90. National Bank’s application was initially dismissed and its appeal of that dismissal was adjourned after the Canadian members of the Sunterra Group – including the Canadian Sunterra Entities and Sunterra Enterprises – successfully applied for protections under the *Companies’ Creditors Arrangement Act*. The initial order rendered in that proceeding permits the issuance of this statement of claim without leave of the Alberta court.

91. The affidavit filed by National Bank in support of its application includes as an exhibit an email dated February 14, 2025 from Price to National Bank personnel with the subject line “Sunterra Overdraft Situation”. In that email, Price again admits to the Cheque Kiting

Scheme: “We then would pay from the U.S. to Canada, but in order to keep the U.S. entities with appropriate cash, we would move money back down on an ‘advance’ basis. It obviously grew beyond what it was meant to be as we continued to make sure that both entities had the money they needed. I apologize for what ended up happening.”

### **Fraud, Deceit, and Fraudulent Misrepresentation**

92. As a result of their perpetration of the Cheque Kiting Scheme, the currently-known particulars of which are pleaded herein, the Canadian Sunterra Entities, Price ^, Uffelman and Thompson are liable to Compeer in fraud, deceit, and fraudulent misrepresentation.
93. The conduct of the Canadian Sunterra Entities, Price ^, Uffelman and Thompson pleaded herein amount to representations and omissions made to Compeer that constitute fraud, dishonest dealings, knowingly false representations, including by the non-disclosure of facts, and deprivation by deceit. All such conduct was undertaken with knowledge of its falsehood, or recklessly, without belief in its truth, with intention that it should be acted on by Compeer, which is what occurred.
94. Compeer relied on the false representations to its detriment by permitting the U.S. Sunterra Entities and Lariagra U.S. to access their respective RLOCs and the conditional credit that resulted from the Sunterra Group’s use of cheques to further the Cheque Kiting Scheme.
95. The result of Compeer’s detrimental reliance on such fraudulent and deceitful conduct is that Compeer suffered losses for which the Canadian Sunterra Entities, Price ^, Uffelman and Thompson are jointly and severally liable.

### **Civil Conspiracy**

96. As a result of their perpetration of the Cheque Kiting Scheme, the currently-known particulars of which are pleaded herein, the Canadian Sunterra Entities, Price ^, Uffelman and Thompson are liable to Compeer for unlawful conduct conspiracy.
97. The Canadian Sunterra Entities, Price, Uffelman and Thompson agreed to engage in unlawful conduct that they knew (and in fact intended) or should have known would likely cause injury to Compeer. Their unlawful conduct, namely the Cheque Kiting Scheme, is

actionable. It amounts to fraud, deceit, and fraudulent misrepresentation, and all such conduct was directed towards Compeer.

98. The Canadian Sunterra Entities, Price ^, Uffelman and Thompson acted in concert with a common design in pursuing the Cheque Kiting Scheme with the intention of inducing Compeer to advance funds based on false and misleading representations, knowing that there were insufficient funds in the accounts from which the cheques were to be drawn. In doing so, they engaged in unlawful conduct, specifically the Cheque Kiting Scheme.
99. By engaging in their conspiracy, the Canadian Sunterra Entities, Price ^, Uffelman and Thompson caused Compeer to suffer losses for which they are jointly and severally liable.

### **Oppression**

100. As a result of their perpetration of the Cheque Kiting Scheme, the currently-known particulars of which are pleaded herein, the Canadian Sunterra Entities, Price ^, Uffelman and Thompson engaged in oppressive conduct that entitles Compeer as a creditor of the Canadian Sunterra Entities, and their affiliates, including Sunterra Enterprises, the U.S. Sunterra Entities, and Lariagra U.S., to compensation as an aggrieved person pursuant to section 242 of Alberta's *Business Corporations Act*.
101. The conduct of the Price Directors amounts to additional oppressive conduct that entitles Compeer as a creditor of the Canadian Sunterra Entities, and their affiliates, including Sunterra Enterprises, the U.S. Sunterra Entities, and Lariagra U.S., to compensation as an aggrieved person pursuant to section 242 of Alberta's Business Corporations Act.
102. Through their conduct, the Price Directors permitted the Cheque Kiting Scheme, which was longstanding, sustained, coordinated (including by one of the Price Directors, namely Price) and used to conceal the fact that those entities lacked the legitimate funds required to satisfy their obligations or otherwise undertake their respective business and affairs. The Price Directors did so notwithstanding their duties, obligations, knowledge and access to information that they reviewed or ought to have reviewed. The Price Directors thereby became liable to Compeer for its losses caused by the Cheque Kiting Scheme and as otherwise pleaded herein. This claim in oppression against the Price Directors (pleaded at

paragraphs 101-102) is derivative of Compeer's other claims pleaded herein and Compeer intends to advance its derivative oppression claim only after those other claims have been proven.

### ^ Compeer's Losses

103. Due to the Cheque Kiting Scheme, Compeer has uniquely suffered losses of at least USD \$36,500,103.19. The other victim, National Bank, has no losses arising from the Cheque Kiting Scheme. This amount is the total indebtedness to Compeer of the U.S. Sunterra Entities and Lariagra U.S., the latter of which would not have been extended credit if not for the conduct of undertaking and concealing the Cheque Kiting Scheme. The Canadian Sunterra Entities, Price ^, Uffelman and Thompson are jointly and severally liable for such losses.

104. Compeer has also incurred compensable and ever-increasing expenses arising out of its investigation of the Cheque Kiting Scheme, and its funding of the appointment and activities of the U.S. Receiver. The Canadian Sunterra Entities, Price ^, Uffelman and Thompson are jointly and severally liable for such losses.

105. As a result of the fraudulent and high-handed conduct of the Canadian Sunterra Entities, Price, and Uffelman, Compeer is entitled to recover punitive and/or exemplary damages.

### **Breach of the Guarantees**

106. Sunterra Enterprises provided the Guarantees to induce Compeer to extend or continue to extend credit to the U.S. Sunterra Entities and Lariagra U.S. Pursuant to the Guarantees, Sunterra Enterprises unconditionally, absolutely, and irrevocably covenanted and agreed to, among other things, pay and punctually perform the obligations of the U.S. Sunterra Entities and Lariagra U.S. subject to certain caps in liability contained therein.

107. Despite Compeer having demanded payment under the Guarantees on April 11, 2025, Sunterra Enterprises has neglected or refused to pay any amounts to Compeer. Sunterra Enterprises is therefore liable to Compeer under the Guarantees in the amount of at least

USD \$25,729,079.66, plus additional accumulated interest. Compeer is therefore entitled to judgment against Sunterra Enterprises.

**Remedy sought:**

108. Compeer seeks the following relief:

- (a) A declaration that at least Sunterra Canada, Sunwold Canada, Price <sup>^</sup>, Uffelman and Thompson have committed fraud;
- (b) Damages in the amount of at least USD \$36,500,103.19 and such further or other amount as may be determined (plus contractual interest of <sup>^</sup>11% and expenses under the Promissory Note/Loan Agreements) from the Canadian Sunterra Entities, Price, Uffelman and Thompson arising from their fraudulent and oppressive conduct, namely their perpetration of the Cheque Kiting Scheme, and in respect of Compeer's resulting expenses;
- (c) Damages in the amount of at least USD \$25,729,079.67 and such further or other amounts as may yet determined (plus additional contractual interest of <sup>^</sup>11% and expenses under the Promissory Note/Loan Agreements) from Sunterra Enterprises for its breach of the Guarantees or, alternatively, amounts owing under the Guarantees;
- (d) Punitive damages in the amount of at least CAD \$1,000,000;
- (e) A declaration that Compeer is entitled to trace the funds advanced as a result of the Cheque Kiting Scheme and a declaration that those funds are held in trust as a constructive trustee for Compeer;
- (f) An order for an accounting of any profits or benefits realized by the Canadian Sunterra Entities, Price <sup>^</sup>Uffelman or Thompson from the funds obtained as a result of the Cheque Kiting Scheme and the disgorgement of same;

- (g) An order, to the extent necessary, declaring that Compeer is entitled to pierce the corporate veil of the Canadian Sunterra Entities to enforce their claims and seek damages against Price ^, Uffelman and/or Thompson;
- (h) Damages in an amount to be particularized (plus contractual interest of 11% under the Promissory Note/Loan Agreements) from the Price Directors arising from their derivative oppressive conduct pleaded at paragraphs 101 and 102 above;
- (i) In the alternative to the contractual interest stated above, interest pursuant to the *Judgment Interest Act*, R.S.A. 2000, c. J-1;
- (j) Costs on a solicitor-client basis; and
- (k) Such further and other relief as counsel may advise and this Honourable Court shall permit.

**NOTICE TO THE DEFENDANTS**

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 King's Bench at Calgary, Alberta, and serving your Statement of Defence or a Demand for Notice on the Plaintiff'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 against you.

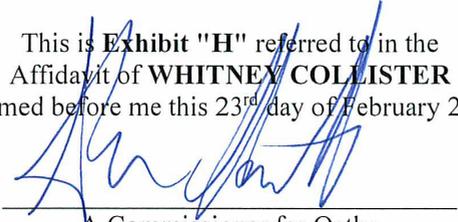
**Schedule "B"**  
**Amended Litigation Plan**

**Schedule "A"**  
**Litigation Plan**

1. This litigation plan may be amended only by written agreement between the parties to Court of King's Bench Action No. 2503-10998 (the "**Action**"), or by Court Order.
2. The Defendants in the Action shall file and serve their defences to the Statement of Claim filed in the Action and any affidavits in response to Compeer's application for declaratory relief and summary judgment in the Action filed on June 23, 2025 in these proceedings (the "**Application**") by September 5 2025 and shall advise Compeer Financial, PCA ("**Compeer**") what two additional current employees of Compeer, if any, it wishes to examine. Such examinations shall occur pursuant to Rule 6.8 of the Alberta *Rules of Court* unless the additional witnesses file Affidavits.
3. Each of Ray Price, Art Price, Debbie Uffelman and Craig Thompson (collectively, the "**Sunterra Witnesses**") shall attend for examination, by no later than October 24, 2025. Such examination shall be limited to 3 days to be apportioned by Compeer unless the parties otherwise agree or the Court directs. Such examinations shall occur pursuant to Rule 6.6 if they file affidavits or Rule 6.8 if they do not of the Alberta *Rules of Court*.
4. The Defendants shall conduct any examination of Nicholas Rue, Steve Grosland and the additional witness(es) identified in accordance with paragraph 2, if any, by no later than November 13, 2025. Such examination shall be limited to 3 days to be apportioned by counsel for the Defendants unless the parties otherwise agree or the Court directs.
5. Any amendments to the parties to the Application, shall be made by October 27, 2025.
6. Any undertaking responses shall be provided by November 3, 2025.
7. Compeer shall file its brief by November 19, 2025 and the Defendants shall file their briefs by November 28, 2025.
8. The Application shall proceed to judgement on December 4 and 5, 2025.
9. The parties to the Action are at liberty and are hereby authorized and empowered to apply

to the Court for assistance in carrying out the terms of this plan and may seek to vary this plan on not less than seven day's notice.

This is **Exhibit "H"** referred to in the  
Affidavit of **WHITNEY COLLISTER**  
affirmed before me this 23<sup>rd</sup> day of February 2026.



\_\_\_\_\_  
A Commissioner for Oaths  
in and for Alberta

**Amara C. Hewitt**  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires November 3, 2028

COURT FILE NUMBER 2501 19283

COURT COURT OF KING'S BENCH OF ALBERTA

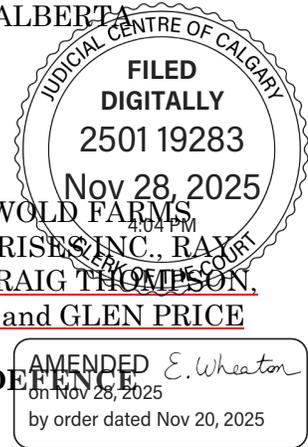
JUDICIAL CENTRE CALGARY

PLAINTIFF COMPEER FINANCIAL, PCA

DEFENDANTS SUNTERRA FARMS LTD., SUNWOLD FARMS LIMITED, SUNTERRA ENTERPRISES INC., RAY PRICE, DEBBIE UFFELMAN, CRAIG THOMPSON, DAVID PRICE, ARTHUR PRICE and GLEN PRICE

DOCUMENT AMENDED STATEMENT OF DEFENCE

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Blue Rock Law LLP  
700, 215-9<sup>th</sup> Ave SW  
Calgary, AB  
T2P 1K3



Scott Chimuk and David W. Mann, KC.  
T. 587.390.7041 and 403.605.3992  
E. scott.chimuk@bluerocklaw.com /  
david.mann@bluerocklaw.com  
File: 1375-00001

**Note: State below only facts and not evidence (Rule 13.6)**

**Statement of facts relied on:**

General denial and overview of Defence

1. The Defendants, Sunterra Farms Ltd. (“Sunterra Canada”), Sunwold Farms Limited (“Sunwold Canada”) (together, the “Canadian Hog Farm Entities”), Sunterra Enterprises Inc. (“SEI”) (collectively the “Corporate Defendants”), Ray Price (“Ray Price”), Debbie Uffelman (“Uffelman”), Craig Thompson (“Thompson”), David Price, Arther Price (“Art Price”) and Glen Price, deny every allegation of fact unless expressly admitted herein.
2. The Defendants admit the facts as alleged at paragraph 18 of the within Amended Statement of Claim, as sent to the Court on October 27, 2025 (“Statement of Claim”), save to say that Sunterra U.S. also housed pigs for unrelated parties including The Pork Group Inc..

Key facts

3. The Corporate Defendants are private corporations incorporated in Alberta and are members of the Sunterra Group – a series of companies ultimately owned and operated by members of the Price family. The Sunterra Group has operations dating back over 50 years, spanning multiple sectors of the agricultural and food distribution industries.
4. The Defendants do not bank with and have never banked with Compeer Financial, PCA (“Compeer” or the ‘Plaintiff’).
5. 3 US Sunterra entities banked with Compeer: Sunwold Farms Inc. (“Sunwold US”), Sunterra Farms Iowa Inc. (“Sunterra US”) and Lariagra Farms South Inc. (Lariagra US”) (collectively the “US Hog Farm Entities”).
6. The US Hog Farm Entities worked with Canadian Hog Farm Entities of the Sunterra Group, namely the Corporate Defendants, in a large pig farming business. Piglets are born in Canada and were sold to the US Hog Farm Entities. These piglets are and were produced to No Antibiotics Ever or NAE standards, and as such attract and attracted a premium price once they mature into hogs and are sold in USD in the US. But to achieve that premium, significant time and resources are required.
7. Compeer, wrongfully and without warning cancelled all the credit facilities of the US Hog Entities in February 2025. This cancellation of credit caused the US Hog Farm Entities to experience liquidity issues which ultimately resulted in an insolvency (“**US Insolvency**”). After the cancellation of the credit facilities but prior to the US Insolvency, Art Price of the Sunterra Group met with Compeer and presented them with a proposal that would have solved any issues relating to the repayment of the Compeer debt (“**Price Proposal**”). The Price Proposal included defined participation in positive cash flows arising from the continued business operation of the Hog business and taking advantage of certain premiums which were attainable through the continued operation of the US entities in conjunction with pig purchases from the Canadian entities.

Specific Responses

8. The Defendants deny that they owe the Plaintiff any duties as alleged or at all, or alternatively that to the extent that they owed any duties that they breached any duties as alleged or at all.
9. The Defendants deny that they caused any losses as alleged or at all.
10. In specific response to paragraph 1 of the Statement of Claim the Defendants deny that the Plaintiff suffered any losses as alleged or at all.
11. In the alternative if any losses were suffered, which is not admitted but denied, then those losses are exorbitant and exaggerated and the Defendants are not liable for them.
12. In the further alternative, if any losses were suffered, which is not admitted but denied, then there is a failure to mitigate, including by the failure of the Compeer to work with the US Receiver and Sunterra to realize the true value of the assets of the US Hog Farm Entities for the benefit of all stakeholders.
13. In the further alternative, if any losses were suffered, which is not admitted but denied, then those losses were not caused by the Defendants but were solely or partially caused by the Plaintiff such that it is contributorily negligent, or were all or partially caused by third parties including but not limited to the National Bank of Canada.
14. The Defendants deny that they, or any of them, participated in any fraudulent scheme as alleged. Further, or in the alternative, the Defendants state that to the extent that there was any such scheme as alleged or at all, which is denied, that Compeer was a knowing participant and cooperated in the scheme. At all material times hereto Compeer consented to, endorsed, and/or tacitly or expressly endorsed the actions of the Defendants. Specifically, Compeer knew about and authorized the financial practices of the Defendants including any intercompany loans or transfers.
15. In response to paragraphs 4 and 5 of the Statement of Claim, deny that any actions undertaken by them were done in furtherance of the alleged "Cheque Kiting Scheme".

16. In response to paragraph 5 of the Statement of Claim, Price, Uffelman and Thompson did not cause or conceal anything as alleged.
17. In response to paragraph 6 of the Statement of Claim, SEI denies that it was a guarantor of any loans as alleged. In the alternative, to the extent that it was a guarantor of any loans as alleged, SEI claims set off and alleges that the refusal to accept the Price Proposal or to otherwise realize the true value of the assets of the US Hog Farm Entities constituted a breach of Compeer's contractual duty of good faith and both caused any losses that Compeer may have suffered as well as caused additional loss and damage to SEI, as well as to the other Sunterra Defendants.
18. In response to paragraph 13 of the Statement of Claim, Ray Price denies that he is the beneficial owner of the Sunterra Entities as alleged and further states that at all times he exercised reasonable diligence when acting as an officer and director of any of the entities as alleged. Ray further denies wrongful conduct and denies that he owes the Plaintiff any duty as alleged or at all.
19. In response to paragraph 14 of the Statement of Claim, Uffelman states that she exercised reasonable diligence when acting as an officer of any of the entities at all times, and denies that she had knowledge and oversight of and responsibility for the finances of the Sunterra companies as alleged. She further denies wrongful conduct and denies that she owes the Plaintiff any duty as alleged or at all.
20. In response to paragraph 15 of the Statement of Claim, Thompson denies that he had knowledge and oversight of and responsibility for the finances of the Sunterra companies as alleged.
21. In specific response to paragraph 16 of the Statement of Claim, David Price and Glen Price were directors of only Sunterra Enterprises Inc and not the Canadian Hog Farm Entities.
22. In specific response to paragraphs 28 and 29 of the Statement of Claim, Sunterra Enterprises denies the guarantees as alleged or at all, and in the alternative denies that the guarantees as alleged to have been granted on September 23, 2023, were continuing guarantees which applied after the granting of the three RLOCs by

Compeer on October 7, 2024, and in the alternative deny any liability to Compeer for any losses or damages, which are denied, as alleged or at all, given Compeer's participation in the activities of the U.S Hog Farm Entities as alleged, including by the ongoing grant of conditional credit to those entities resulting in the alleged loss or damages which were thereby caused by Compeer and were not contemplated by the alleged guarantees. Sunterra Enterprises further states that if in the alternative the guarantees alleged to have been granted on September 23, 2023 are deemed to apply to the liabilities of the US Hog Farm Entities to Compeer, then the liability under the alleged guarantee(s) for the debts owing by Sunwold Canada and Lariagra Canada are capped at a total of USD \$3,000,000 including any applicable interest.

23. In specific response to paragraphs 36-46, of the Statement of Claim, the Defendants deny that the intercompany transactions occurred as alleged. In the alternative, to the extent that intercompany transactions occurred, they occurred with full transparency to and with the tacit and/or express consent and knowledge of Compeer.

24. In specific response to paragraph 54, say that Compeer undertook no new action as alleged because it was already manually approving each cheque written.

25. In specific responses to paragraphs 58, and 68-83, the Defendants say that the corporate veil of the Canadian Hog Farm Entities has not been pierced to allow Compeer to enforce its claims and seek damages against any of the individual defendants and specifically:

a. deny that Ray Price, Uffelman and Thompson caused at least the US. Sunterra Entities and the Canadian Sunterra Entities to perpetuate a highly-sophisticated and fraudulent cheque kiting Scheme (the “**Cheque Kiting Scheme**”) as alleged or at all, or any fraud as against Compeer.

b. state that all actions and conduct (including omissions) alleged to have been taken by the Ray Price, Uffelman and Thompson is denied, but in the alternative say that:

- i. any such actions and conduct were not tortious and identified no separate identity of interest from that of the corporation so as to make the impugned actions or conduct their own;
  - ii. neither the Canadian Hog Farm Entities nor the U.S. Hog Farm Entities were dominated and controlled and being used by Ray Price, Uffelman and Thompson or any of them as a shield for fraudulent or improper conduct;
  - iii. there is no factual underpinning pleaded by the Plaintiff to support allegations that any of Ray Price, Uffelman and Thompson acted outside of their capacity as officers, directors or employees of the relevant entities, there was no separate identity of interest and the none of the actions or conduct alleged were carried out for the benefit of any of the Individual Defendants.
- c. In further specific response to paragraph 68 to 83 of the Statement of Claim:
- i. say that for each and every time the Canadian Sunterra Entities issued a cheque to the U.S Sunterra Entities, the Defendants deny that any of them made a representation that the Canadian Hog Farm Entities had the capacity to honor the cheques and in the alternative say that the relevant Defendants made honest representations and made no intentional concealment of the truth;
  - ii. deny that the evidence of Price, Uffelman and Thompson includes admissions of conduct amounting to the perpetration of the alleged Cheque Kiting Scheme;
  - iii. deny that they knowingly took advantage of any float or conditional credit provided by Compeer and NBC, deliberately and with sufficient knowledge of the manner in which Compeer and NBC respectively verified, cleared and settled cheques, regarding the extension of conditional credit and the lack of holds on cheques to commit the fraud as alleged, and say that it was Compeer and NBC that had the superior

knowledge, expertise and experience, as well as their clearing banks, to understand the extent of conditional credit being granted and further that they turned their minds to and indeed scrutinized the relevant transactions;

- iv. deny that the denominations of the cheques in amounts less than USD \$1,000,000 was a deliberate tactic to transact significant funds while evading detections of fraud and say that the choice of those amounts was to allow for quicker processes for business efficiency, in a context where there were already significant inefficiencies and delays on the banks' part in the clearing of funds from the transactions through the accounts with Compeer and NBC respectively;
- v. deny that the intercompany transactions described had no legitimate purpose and say that they arose from the needs of business operations arising from the difference in cash and accrual accounting for taxation purposes between Canada and the United States, and in the context of the lack of real time transparency in the transaction records of and account statements issued by Compeer and NBC respectively, and the inefficiencies and problems with their respective account netting systems, and continued and grew without subjective knowledge of the extent of conditional credit being created and without intent to make any misrepresentation to or to otherwise deceive Compeer;
- vi. the Defendants say that Ray Price honestly represented to the Compeer the reason for the use of cheque for intercompany transfers and contrary to paragraph 36 of the Statement of Claim, Compeer never questioned Ray Price nor any of the Defendants about the manner in which the U.S Sunterra Entities Compeer Accounts were used in connection the Sunterra Group's approach to intercompany transactions between its U.S. and Canadian operations *per se*, but only questioned the use of cheques between the U.S. Hog Farm Entities and the Canadian Hog Farm Entities for that purpose.

- vii. say that there is no contractual relationship between, nor any fiduciary or other duty owing by of the Defendants to Compeer;
  - viii. say that in respect of any representation as alleged or at all (which are denied), there was no subjective knowledge, nor reckless or willful blindness, on the part of any of the Defendants that any representations made as alleged were false; and
  - ix. deny that Ray Price, Uffelman and/or Thompson have made any of the admissions as alleged in paragraphs 69, 75 and 80 of the Statement of Claim.
- d. In specific and further response to paragraph 80 of the Statement of Claim, say that there was no intention of the part of any of the Defendants to deceive Compeer nor to induce Compeer to act, and further that Compeer chose to grant conditional credit to the U.S Hog Farm Entities regardless of any representations made by or on behalf of any of the Defendants and continued to do so with knowledge and full transparency of the transactions undertaken between the Canadian Hog Farm Entities and the US Hog Farm Entities, and the conditional credit being granted by Compeer for that purpose. Further, Compeer had superior knowledge, experience and expertise of the system of conditional credit and clearing bank operations such that it could not have been deceived by any representations by any of the Defendants as alleged or at all. In these circumstances, it cannot be said that Compeer would not have granted the conditional credit for the intercompany transactions as alleged but for the actions and conduct (including omissions) of the Defendants or any of them.

26. In specific response to paragraph 81 of the Statement of Claim, the Defendants:

- a. refer to and repeat paragraph 24 and 25 above and deny that any of the Defendants were perpetuating a Cheque Kiting Scheme as alleged or at all, or knowingly undertook the actions and conduct alleged to conceal the continued perpetuation of any such scheme.

b. deny that the Sunterra Group utilized a unified accounting system that integrated all financial activities, including the activities of the U.S. Hog Farm Entities and the Canadian Hog Farm Entities and further, or in the alternative, deny that Price, Uffelman and Thompson knew that there were insufficient funds at Compeer and National Bank to cover the cheques written for the Canadian Hog Farm Entities and the U.S. Hog Farm Entities. In particular, and without limitation, the Defendants point to the combined positive balance of approximately USD \$21,000,000 in funds payable to the U.S Sunterra Entities and Lariagra U.S. as pleaded in paragraph 63 of the Statement of Claim, and say that Ray Price held an honest belief in the availability of those funds as a positive balance that could be used to pay off funds owing in the accounts of the Canadian Hog Farm Entities with NBC, as per paragraph 57(g) and 60 of the Statement of Claim.

27. In specific response to paragraph 82, repeat paragraph 26(b) above and deny that any funds were misappropriated and further, or in the alternative, deny that Ray Price and Uffelman had knowledge as alleged or at all regarding the alleged false positive balance on the relevant accounts giving rise to interest payments in favor of the U.S. Hog Farm Entities or any of them.

Allegation of Fraud, Deceit and Fraudulent Misrepresentation and of Civil Conspiracy

28. In specific response to paragraphs 92-95 and 96-99 of the Statement of Claim, the Defendants say that:

a. in the context of the above, the allegations in paragraphs 92-95 and 96-99 are an artifice and fabrication designed by the Plaintiffs to try and get around the consequences of their failure to join the US Hog Farm Entities as Defendants to the Compeer claim as identified in the orders of this Court in these CCAA proceedings dated July 24, 2025 (“Compeer Claim”);

29. In specific response to paragraph 92-95, and in the alternative to paragraph 28 above

a. the Defendants repeat paragraph 28 above, and deny that there was any deceit, fraud, or fraudulent misrepresentations for which they, or any of them, are liable to Compeer; and

b. Further or in the alternative say that the Plaintiff's loss and damages as alleged were caused by Compeer's own actions and omissions, or by those of NBC.

30. In specific response to paragraphs 96-99 of the Statement of Claim, the Defendants deny that there was any conspiracy and in particular repeat paragraph 28 (iv) above and:

a. deny that they carried out any the alleged unlawful conduct, namely the Cheque Kiting Scheme, (the "Alleged Unlawful Conduct");

b. further, or in the alternative, deny that any two or more of them entered into an agreement to carry out the Alleged Unlawful Conduct pursuant to that agreement;

c. further, or in the alternative, deny:

i. that the Alleged Unlawful Conduct was directed toward the Plaintiff,

ii. that the Defendants (or any relevant combination of them) should have known that injury to the Plaintiff was likely to result; and

iii. that the loss and damages to the Plaintiff did in fact occur as alleged, in respect of which the Defendants refer to and repeat paragraphs ... above in relation to causation.

31. Alternatively, even if there was any unlawful conduct conspiracy committed by any two of more of the Defendants as alleged, which is vehemently denied, Compeer was either a participant in, or willfully blind ^ to the conduct in question and/or its effects.

32. In response to paragraph 100-102 and the Plaintiff's claims for compensation pursuant to s 242 of the Business Corporations Act, R.S.A., c B-9, the Defendants:

- a. deny that there was any conduct that was oppressive ^, unfairly prejudicial, or which unfairly disregards the interests of security holders, creditors, directors or officers for which the Plaintiff seeks relief, including the alleged Cheque Kiting Scheme, which is denied, and the Defendants refer to and repeat paragraphs .28-30 above;
  - b. further and in the alternative, state that Compeer is not a creditor or complainant within the meaning of the Alberta *Business Corporations Act* as it was not a lender to any of the Defendants;
  - c. further or in the alternative state that the Plaintiff cannot be said to have been oppressed or unfairly dealt with by the Defendants or any of them, nor to have been unfairly prejudiced, by any conduct as alleged, or at all, because the Plaintiff had full visibility of that conduct, which it examined and scrutinized from a position of superior knowledge, experience and and had the power to stop it but did not do so prior to February 2025, and in that context acquiesced to the alleged conduct over an extended period of time;
  - d. further or in the alternative, any loss and damages suffered by Compeer was caused by the US Hog Farm Entities as the customers of the Plaintiff and/or NBC, and not by the Defendants or any of them.
33. In further specific response to paragraphs 101 and 102 of the Statement of Claim, these paragraphs ought to be struck out with respect to David Price, Art Price and Glen Price, because no conduct has been pleaded on their behalf and the Defendants therefore cannot know the case they have to answer. Further, David Price and Glen Price were not and are not directors of the Canadian Hog Farm Entities, or either of them, and it has not been alleged by the Plaintiff that Sunterra Enterprises took part in the alleged Cheque Kiting Scheme on which the oppression claims as pleaded by the Plaintiff is based.
34. In further specific response to paragraphs 101 and 102, Art Price denies any knowledge of the alleged conduct comprising the alleged Cheque Kiting Scheme prior to on or around February 11, 2025

35. There is no justification for delay in the bringing of any and all actions against the Defendants within this Compeer Claim and in particular as against David Price, Art Price, Glen Price and Ray Price in relation to the subject matter of the Compeer Claim. The derivative action anticipated by the Plaintiff in paragraph 102 of the Statement of Claim is, ipso facto, related to the same subject matter as the Compeer Claim and the same parties who are now Defendants without breach of the within claim, and cannot and/or ought not be allowed to proceed after the hearing of the Compeer Claim pursuant to the doctrines of res judicata, issue estoppel and/or abuse of process.

No knowledge and no profit

36. In specific reply to paragraphs 71 and 72 of the Statement of Claim, the Defendants specifically deny that they had any such knowledge with respect to the cheque verification, clearing, and settlement process of Compeer, nor did any Defendant have knowledge of insufficient funds in any account. The fact is that the accounts were in such a state of flux that the knowledge alleged to be had by the Defendants is impossible to have at any one point in time.

37. Further, the fact is that Compeer and NBCs back-office operations automatically, and without input from the Defendants, applied or removed funds and thereby varied amounts in various accounts – therefore any overdraft or default is due to their systems and processes, and not the Defendants. As well, in respect of paragraph 68(b) of the Statement of Claim, the Defendants specifically deny that the sub \$1 Million cheques were sent for the purposes of ^ avoiding scrutiny or for any purpose amounting to wrongful conduct.

38. In further reply to the allegations at paragraphs 68 – 83 and the entirety of the Statement of Claim generally, the fact is that none of the Defendants profited because of the alleged impugned conduct.

## **Any matters that defeat the Plaintiff's Claim**

### Waiver, Acquiescence, Laches, Estoppel

39. In reply to the Statement of Claim generally, even if the alleged facts were true, which is denied, in the alternative these facts would all have been known and consented to by Compeer for years and were not in issue. In this regard, the Defendants refer to and rely on paragraphs 30-31 above. The Defendants plead and rely upon the doctrines of waiver, acquiescence, laches, and estoppel. Compeer acquiesced to the conduct it now complains of, and seeks redress for, years prior to advancing this claim. Compeer waived its rights to demand strict performance with the loan agreements and terms of the FCM Accounts and/or other relevant obligations among the U.S. Hog Farm Entities, and is estopped from enforcing the express terms of its loan agreements or account terms or seeking recovery from the Defendants herein.

^

### Any alleged loss caused by National Bank of Canada

40. If damages were suffered, which is denied, the damages alleged to be caused by these Defendants are more properly attributable to the freezing actions of NBC, not any of the Defendants. The Defendants seek contribution and indemnity from NBC pursuant to a third-party claim that will be filed by the Defendants.

### Limitations

41. In the alternative, all the foregoing facts were known by Compeer more than two years prior to filing the Statement of Claim. The fact is that the U.S. Hog Farm Entities have been in an overdraft position with Compeer many times in the past because their business necessarily relies on credit, and that credit varies from day to day. While the merits of the causes of action are denied, the fact is that the Plaintiff knew or ought to have known of the facts giving rise to the within causes of action, and that such causes of action would have warranted a proceeding seeking a remedial order, more than two years prior to the filing of the within Statement of Claim, and the Defendants plead and rely on the Alberta *Limitations Act*, RSA 2000, c L-12 as a complete defence.

Set-Off

42. The actions of the Plaintiff have caused the Defendants loss and damage as particularized in the Counterclaim. Accordingly the Defendants plead set off.

Declarations of exemption sought by Compeer

43. State that the claims made by Compeer do not relate to property or services obtained by false pretenses or fraudulent misrepresentation, in respect of which the Defendants are liable. Further and in the alternative say that section 19(2) of the CCAA does not operate in all cases to exempt any such claims from a plan of compromise or arrangement, but rather such exemption depends upon whether the compromise or arrangement explicitly provides for the claim's compromise and the creditor in question in relation to that debt votes for the acceptance of the compromise or arrangement. To make a declaration to the effect sought by Compeer in paragraph 1(c) of its Amended Notice of Application now, would be peremptory in circumstances where the assets and liabilities of the Corporate Defendants have not yet been determined and a plan has not yet been prepared or proposed, and would undermine the purposes of the CCAA.
44. In respect of the declaration sought in paragraph 1(d) of the Amended Notice of Application, the Defendants state that the exemption sought therein cannot extend to Uffelman nor Thompson on any basis because Section 5.1(2)(b) of the CCAA applies only in respect of directors and neither Uffelman nor Thompson were directors of any of the Corporate Defendants at any time. In respect of Ray Price, the Defendants deny that he made any misrepresentations to creditors of any of the Defendants, Compeer not being a creditor of any of the Corporate Defendants, nor to Compeer, and deny that he undertook wrongful or oppressive conduct as a director of one of more of the Corporate Defendants such that the exception in section 5.1(2) could apply in respect of any release in connection with a compromise or arrangement of one or more of the Corporate Defendants pursuant to that section.

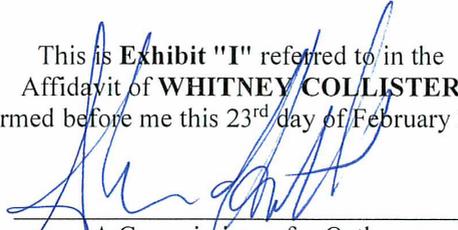
Tracing funds granted by conditional credit

45. The Defendants deny that Compeer is entitled to trace any funds granted by conditional credit to any of the US Hog Farm Entities, including pursuant to the alleged Cheque Kiting Scheme, which is denied, and say that any such funds are not held in trust by any of the defendants as constructive trustee for Compeer and or in the alternative such funds have been dissipated or have been transformed and can no longer be identified because they have been mixed with other funds and Compeer has not and cannot provide sufficient certainty as to the traceable connection between the original funds and any substitute assets.

**Remedy sought:**

46. The Defendants, Sunterra Farms Ltd., Sunwold Farms Limited, Sunterra Enterprises Inc., Ray Price, Debbie Uffelman, Craig Thompson, David Price, Arthur Price and Glen Price respectively request this Honourable Court to dismiss the within Claim with solicitor and his own client (full-indemnity) costs payable to the Defendants, and such further and other relief as this Honourable Court deems just and equitable in the circumstances.

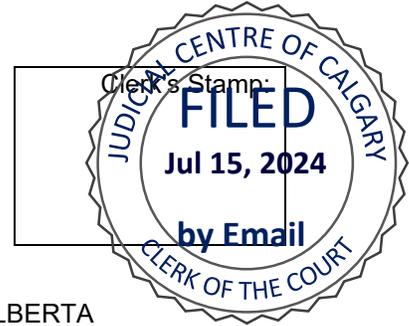
This is **Exhibit "I"** referred to in the  
Affidavit of **WHITNEY COLLISTER**  
affirmed before me this 23<sup>rd</sup> day of February 2026.



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A Commissioner for Oaths  
in and for Alberta

**Amara C. Hewitt**  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires November 3, 2026



COURT FILE NUMBER

2401-09247

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE OF

CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, c C-36, as amended

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF LONG RUN EXPLORATION LTD. AND CALGARY SINOENERGY INVESTMENT CORP.

DOCUMENT

**AMENDED AND RESTATED INITIAL ORDER**

CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT:

**BLAKE, CASSELS & GRAYDON LLP**

Barristers and Solicitors  
3500 Bankers Hall East  
855 – 2<sup>nd</sup> Street SW  
Calgary, Alberta T2P 4J8

Attention: Kelly J. Bourassa / Christopher Keliher  
Telephone: 403-260-9697 / 403-260-9760  
Fax No.: 403-260-9700  
Email: [kelly.bourassa@blakes.com](mailto:kelly.bourassa@blakes.com) /  
[christopher.keliher@blakes.com](mailto:christopher.keliher@blakes.com)

File: 14438/2

**DATE ON WHICH ORDER WAS PRONOUNCED:** July 12, 2024

**NAME OF JUSTICE WHO MADE THIS ORDER:** Honourable Justice P.R. Jeffrey

**LOCATION OF HEARING:** Calgary Courts Centre

**UPON** the application of China Construction Bank Toronto Branch (the "**Applicant**" or "**CCBT**"); **AND UPON** having read the Application, the Affidavit of Ziqing (Eddie) Zou affirmed July 2, 2024; and the Affidavit of Service of Olivia Valks affirmed July 9, 2024, filed; **AND UPON** reviewing the CCAA Initial Order granted by the Honourable Justice K.M. Horner in these proceedings on July 4, 2024 (the "**Initial Order**"); **AND UPON** being advised that the secured creditors who are likely to be affected by the charges created herein have been provided notice of this application; **AND UPON** hearing counsel for CCBT and counsel for FTI Consulting Canada Inc. ("**FTI**" or the "**Monitor**") to; **AND UPON** reading the Pre-filing report of the proposed Monitor and the First Report the Monitor of Long Run Exploration Ltd. and Calgary Sinoenergy Investment Corp. (the "**Debtors**");

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

**SERVICE**

1. The time for service of the application for this order (the "**Order**") is hereby abridged and deemed good and sufficient and this application is properly returnable today.

**APPLICATION**

2. The Debtors are companies to which the *Companies' Creditors Arrangement Act* of Canada (the "**CCAA**") applies.

**PLAN OF ARRANGEMENT**

3. The Debtors shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (a "**Plan**").

**POSSESSION OF PROPERTY AND OPERATIONS**

4. The Debtors shall:
  - (a) remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**");
  - (b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property;
  - (c) be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants with the consent of the Monitor as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order; and
  - (d) be entitled to continue to utilize the central cash management system currently in place

or, with the consent of the Monitor, replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Debtors of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Debtors, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

5. To the extent permitted by law, the Debtors shall, with the consent of the Monitor, be entitled but not required to make the following advances or payments of the following expenses, incurred prior to or after this Order:
  - (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
  - (b) the reasonable fees and disbursements of any Assistants retained or employed by the Debtors in respect of these proceedings, at their standard rates and charges, including for periods prior to the date of this Order.
  
6. Except as otherwise provided to the contrary herein, the Debtors shall, with the consent of the Monitor, be entitled but not required to pay all reasonable expenses incurred by the Debtors in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
  - (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
  - (b) payment for goods or services actually supplied to the Debtors following the date of this Order.

7. The Debtors shall remit, in accordance with legal requirements, or pay:
- (a) any payroll remittances in favour of the Crown in Right of Canada or of any Province thereof or any other taxation authority that are required to be remitted in respect of employee wages, including, without limitation, amounts in respect of:
    - (i) employment insurance,
    - (ii) Canada Pension Plan, and
    - (iii) income taxes,but only where such remittance obligations arise after the date of this Order, or are not required to be remitted until after the date of this Order, unless otherwise ordered by the Court;
  - (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Debtors in connection with the sale of goods and services by the Debtors, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
  - (c) any amount payable to the Crown in Right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and that are attributable to or in respect of the carrying on of the Business by the Debtors.
8. Until such time as a real property lease is disclaimed or resiliated in accordance with the CCAA, the Debtors may, with the consent of the Monitor, pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated by the Debtors from time to time for the period commencing from and including the date of this Order ("**Rent**"), but shall not pay any rent in arrears.
9. Except as specifically permitted in this Order, the Debtors are hereby directed, until further order of this Court:
- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Debtors to any of its creditors as of the date of this Order;
  - (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and

- (c) not to grant credit or incur liabilities except in the ordinary course of the Business.

## **RESTRUCTURING**

10. The Debtors shall, subject to such requirements as are imposed by the CCAA have the right to:
  - (a) permanently or temporarily cease, downsize or shut down any portion of its business or operations and to dispose of redundant or non-material assets not exceeding \$500,000 in any one transaction or \$1,000,000 in the aggregate, provided that any sale that is either (i) in excess of the above thresholds, or (ii) in favour of a person related to the Debtors (within the meaning of section 36(5) of the CCAA), shall require authorization by this Court in accordance with section 36 of the CCAA;
  - (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate on such terms as may be agreed upon between the Debtors and such employee, or failing such agreement, to deal with the consequences thereof in the Plan;
  - (c) disclaim or resiliate, in whole or in part, with the prior consent of the Monitor (as defined below) or further Order of the Court, their arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the Debtors deem appropriate, in accordance with section 32 of the CCAA; and
  - (d) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Debtors to proceed with an orderly restructuring of the Business (the "**Restructuring**").

11. The Debtors shall provide each of the relevant landlords with notice of the Debtors' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal. If the landlord disputes the Debtors' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Debtors, or by further order of this Court upon application by the Debtors on at least two (2) days' notice to such landlord and any such secured creditors. If the Debtors disclaim or resiliate the lease governing such leased premises in accordance with section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any such dispute other than Rent payable for the notice period provided for in section 32(5) of the CCAA, and the disclaimer or resiliation of the lease shall be without prejudice to the Debtors' claim to the fixtures in dispute.
12. If a notice of disclaimer or resiliation is delivered pursuant to section 32 of the CCAA, then:

- (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Debtors and the Monitor 24 hours' prior written notice; and
- (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Debtors in respect of such lease or leased premises and such landlord shall be entitled to notify the Debtors of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

#### **NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY**

13. Until and including July 31, 2024, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Debtors or the Monitor, or affecting the Business or the Property, except with leave of this Court, and any and all Proceedings currently under way against or in respect of the Debtors or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

14. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**"), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the Debtors or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:
- (a) empower the Debtors to carry on any business that the Debtors are not lawfully entitled to carry on;
  - (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA;
  - (c) prevent the filing of any registration to preserve or perfect a security interest;
  - (d) prevent the registration of a claim for lien; or
  - (e) exempt the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment.

15. Nothing in this Order shall prevent any party from taking an action against the Debtors where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

#### **NO INTERFERENCE WITH RIGHTS**

16. During the Stay Period, no person shall accelerate, suspend, 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 Debtors, except with the written consent of the Debtors and the Monitor, or leave of this Court.

#### **CONTINUATION OF SERVICES**

17. During the Stay Period, all persons having:

- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with the Debtors, 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 Business or the Debtors

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Debtors or exercising any other remedy provided under such agreements or arrangements. The Debtors shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Debtors in accordance with the payment practices of the Debtors, or such other practices as may be agreed upon by the supplier or service provider and each of the Debtors and the Monitor, or as may be ordered by this Court.

#### **NON-DEROGATION OF RIGHTS**

18. Nothing in this Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Debtors.

#### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

19. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph 15 of this Order, no Proceeding may be commenced or continued against any of the

former, current or future directors or officers of the Debtors with respect to any claim against the directors or officers that arose before the date of this Order and that relates to any obligations of the Debtors whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Debtors, if one is filed, is sanctioned by this Court or is refused by the creditors of the Debtors or this Court.

#### **DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE**

20. The Debtors shall indemnify its directors and officers against obligations and liabilities that they may incur as directors and or officers of the Debtors after the commencement of the within proceedings except to the extent that, with respect to any officer or director, the obligation was incurred as a result of the director's or officer's gross negligence or wilful misconduct.
21. The directors and officers of the Debtors shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$250,000, as security for the indemnity provided in paragraph 20 of this Order. The Directors' Charge shall have the priority set out in paragraphs 34 and 36 herein.
22. Notwithstanding any language in any applicable insurance policy to the contrary:
  - (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and
  - (b) the Debtors' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 of this Order.

#### **APPOINTMENT OF MONITOR**

23. FTI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property, Business, and financial affairs and the Debtors with the powers and obligations set out in the CCAA or set forth herein and that the Debtors and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Debtors pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.
24. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:
  - (a) monitor the Debtors' receipts and disbursements, Business and dealings with the Property;

- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Debtors;
- (c) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form and other financial documents of the Debtors to the extent that it is necessary to adequately assess the Property, Business, and financial affairs of the Debtors or to perform its duties arising under this Order;
- (d) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (e) hold funds in trust or in escrow, to the extent required, to facilitate settlements between the Debtors and any other Person; and
- (f) perform such other duties as are required by this Order or by this Court from time to time.

25. Without in any way limiting the powers and duties of the Monitor otherwise set out herein or in the CCAA, the Monitor is hereby empowered and authorized, but not obligated, to do any of the following in the name of and on behalf of the Debtors, where the Monitor considers it necessary or desirable:

- (a) take any and all actions and steps to manage, operate and carry on the Business, including, without in any way limiting the generality of the foregoing:
  - (i) any actions or steps the Monitor considers necessary or desirable to proceed with an orderly restructuring or liquidation of the Business;
  - (ii) any and all steps of the Debtors authorized by this Order and any other Order made in these proceedings, including making distributions or payments;
  - (iii) permanently or temporarily ceasing, downsizing or shutting down any of the Debtors' operations;
  - (iv) terminating the employment of or temporarily laying off employees of the Debtors;
  - (v) preparing a Plan on behalf of the Debtors;
  - (vi) entering into any agreements;

- (vii) settling, extending or compromising any indebtedness owing to or by the Debtors;
  - (viii) engaging and instructing Assistants from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Monitor's powers and duties, including those conferred by this Order;
  - (ix) purchasing or leasing machinery, equipment, inventories, supplies, premises or other assets to continue the Business, or any part or parts thereof;
  - (x) initiating, prosecuting and continuing the prosecution of any and all proceedings and defending all proceedings now pending or hereafter instituted with respect to the Debtors, the Business, the Property or the Monitor and to settle or compromise any such proceeding;
  - (xi) exercising any rights of the Debtors;
  - (xii) applying 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 in the name of the Debtors;
  - (xiii) taking any and all corporate governance actions for the Debtors; and
  - (xiv) providing instruction and direction to the Assistants of the Debtors.
- (b) preserve, protect and exercise control over the Property, or any parts thereof, including, without in any way limiting the generality of the foregoing to:
- (i) receive, collect and exercise control over all monies and accounts held by or owing to the Debtors, including any proceeds of the sale of any of the Property;
  - (ii) exercise all remedies of the Debtors in collecting monies owed or hereafter owing to the Debtors and to enforce any security held by the Debtors; and
  - (iii) execute, assign, issue and endorse documents of whatever nature in respect of any of the Property for any purpose pursuant to this Order;
  - (iv) market, sell, convey, transfer, lease or assign the Property or any part of parts of the Property out of the ordinary course of business, including running a sales solicitation process without the approval of this Court, in respect of any one transaction not exceeding \$500,000 or \$1,000,000 in the aggregate and with the approval of this Court in respect of any other transaction;

- (c) to report to, meet with and discuss with such affected persons as the Monitor deems appropriate on all matters relating to the Business and the Property, and to share information, subject to such terms as to confidentiality as the Monitor deems advisable;
  - (d) oversee and direct the preparation and dissemination of financial and other information of the Debtors in these proceedings, including cash flow statements; and
  - (e) perform such other duties or take any steps reasonably incidental to the exercise of these powers and in each case where the Monitor takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other persons, including the Debtors and without interference from any other person.
26. The Monitor is not and shall not, for any purposes, be deemed to be a director, officer, employee, receiver, receiver-manager, or liquidator of the Debtors.
27. The Monitor is not and shall not for the purposes of the *Income Tax Act* (Canada) be deemed to be a legal representative or person to whom s. 150(3) of that Act applies.
28. The Monitor shall not take possession of the Property and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal or waste or other contamination, provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation or regulation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order be deemed to be in possession of any of the Property within the meaning of any federal or provincial environmental legislation.
29. The Monitor shall provide the Applicant and any creditor of the Debtors with information provided by the Debtors in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Debtors is confidential, the Monitor shall not provide such

information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Debtors may agree.

30. In addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.
31. The Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements related to these CCAA proceedings), in each case at their standard rates and charges, by the Debtors as part of the costs of these proceedings. The Debtors are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and the Applicant's counsel on a bi-weekly basis unless otherwise agreed by the parties.
32. The Monitor and its legal counsel shall pass their accounts from time to time.
33. The Monitor, counsel to the Monitor, and the Applicant's counsel, as security for the professional fees and disbursements incurred both before and after the granting of this Order, shall be entitled to the benefits of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$500,000 as security for their professional fees and disbursements incurred at the normal rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 34 and 36 hereof.

#### **VALIDITY AND PRIORITY OF CHARGES**

34. The priorities of the Directors' Charge and the Administration Charge (together, the "**Charges**") shall be as follows:
  - First – Administration Charge (to the maximum amount of \$500,000); and
  - Second – Directors' Charge (to the maximum amount of \$250,000).
35. The filing, registration or perfection of the Charges shall not be required, and the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.
36. The Charges (as constituted and defined herein) shall constitute a charge on the Property and subject always to section 34(11) of the CCAA such Charges shall rank in priority to all other security

interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

37. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Debtors shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with the Charges unless the Debtors also obtain the prior written consent of the Monitor, and the beneficiaries of the Charges, or further order of this Court.
38. The Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by:
- (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
  - (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications;
  - (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
  - (d) the provisions of any federal or provincial statutes; or
  - (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") that binds the Debtors, and notwithstanding any provision to the contrary in any Agreement:
    - (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof shall create or be deemed to constitute a new breach by the Debtors of any Agreement to which it is a party;
    - (ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
    - (iii) the payments made by the Debtors pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

#### **ALLOCATION**

39. Any interested Person may apply to this Court on notice to any other party likely to be affected for an order to allocate the Charges amongst the various assets comprising the Property.

## SERVICE AND NOTICE

40. The Monitor shall (i) without delay, publish in the Daily Oil Bulletin a notice containing the information prescribed under the CCAA; (ii) within five (5) days after the date of this Order (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Debtors of more than \$1,000 and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder.
41. The Monitor shall establish a case website in respect of the within proceedings at <http://cfcanda.fticonsulting.com/longrun>.

## GENERAL

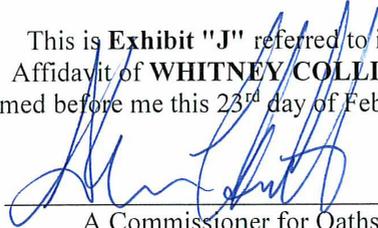
42. The Debtors or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
43. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Monitor will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Monitor's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
44. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager or a trustee in bankruptcy of the Debtors, the Business or the Property.
45. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction, to give effect to this Order and to assist the Applicant, the Debtors, the Monitor and their respective 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 Applicant, the Debtors and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant, the Debtors, the Monitor and their respective agents in carrying out the terms of this Order.
46. Each of the Applicant, the Debtors and the Monitor 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 Monitor is authorized and empowered to act as a representative in respect of the within proceeding for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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47. Any interested party (including the Applicant, the Debtors and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
48. The Initial Order is hereby amended and restated pursuant to this Order, and this Order and all of its provisions are effective as of 12:01 a.m. Mountain Time on July 12, 2024.

  
Justice of the Court of King's Bench of Alberta

This is **Exhibit "J"** referred to in the  
Affidavit of **WHITNEY COLLISTER**  
affirmed before me this 23<sup>rd</sup> day of February 2026.



---

A Commissioner for Oaths  
in and for Alberta

**Amara C. Hewitt**  
A Commissioner for Oaths  
in and for Alberta  
Commission Expires November 3, 2028

Clerk's Stamp:



COURT FILE NUMBER  
COURT  
JUDICIAL CENTRE OF

2301-  
COURT OF KING'S BENCH OF ALBERTA  
CALGARY  
IN THE MATTER OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, as amended  
  
AND IN THE MATTER OF A PLAN OF  
COMPROMISE OR ARRANGEMENT OF FREE REIN  
RESOURCES LTD.

APPLICANT:

INVICO DIVERSIFIED INCOME LIMITED  
PARTNERSHIP, by its general partner INVICO  
DIVERSIFIED INCOME MANAGING GP INC.

RESPONDENT(S):

FREE REIN RESOURCES LTD.

DOCUMENT

**AMENDED AND RESTATED INITIAL ORDER**

CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENT:

**FASKEN MARTINEAU DUMOULIN LLP**  
#3400 – 350 7th Ave SW  
Calgary, AB T2P 3N9

Solicitor: Robyn Gurofsky / Anthony Mersich  
Telephone: (403) 261 9469 / (587) 233 4124  
Email: rgurofsky@fasken.com / amersich@fasken.com  
File Number : 324505.00011

**DATE ON WHICH ORDER WAS  
PRONOUNCED:**

December 7, 2023

**NAME OF JUDGE WHO MADE  
THIS ORDER:**

The Honourable Justice J.T. Neilson

**LOCATION OF HEARING:**

Calgary Courts Centre, Calgary, Alberta

UPON the application of Invico Diversified Income Limited Partnership, secured creditor (the "Applicant") pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "CCAA"); AND UPON having read the Application, the Affidavit of Chris Wutzke; and the Affidavit of Service of Kim Picard, filed; AND UPON noting that the secured creditor affected by the charges created herein, is the Applicant; AND UPON being advised that Free Rein Resources Ltd. ("Free Rein") had previously commenced proceedings (the "NOI Proceedings") under Part

III of the *Bankruptcy and Insolvency Act* (the “**BIA**”) having Court File Number 25-2954304 and Estate Number B201954304, with such proceedings scheduled to expire on December 12, 2023; **AND UPON** hearing counsel for the Applicant, counsel for the Proposal Trustee/proposed Monitor and counsel for Free Rein; **AND UPON** reading the Pre-Filing Report of the Monitor, dated December 6, 2023;

**AND UPON HAVING GRANTED** the Initial Order commencing the within CCAA proceedings;

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

**SERVICE**

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today.

**APPLICATION**

2. Free Rein is a company to which the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (the “**CCAA**”) applies.
3. The NOI Proceedings are hereby taken up and continued under the CCAA and the provisions of Part III of the BIA shall have no further application to Free Rein. The NOI Proceedings shall have no further force and effect, and are hereby terminated, save that any and all acts, steps, agreements and procedures validly taken, done or entered into by Free Rein during the NOI Proceedings shall remain valid, binding and actionable within these proceedings. For certainty, approval of the Monitor’s and its counsel’s fees and disbursements and approval of the Monitor’s activities in this proceeding shall be deemed approval of the fees and disbursements and activities of FTI, in its capacity as proposal trustee of Free Rein (in such capacity, the “**Proposal Trustee**”) and the fees and disbursements of the Proposal Trustee’s counsel in the NOI Proceeding. The Applicant is hereby directed and authorized to file a copy of this Order in the NOI Proceedings.

#### APPOINTMENT OF MONITOR AND ENHANCED POWERS

4. FTI Consulting Canada Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor:

- (a) the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”) of Free Rein; and
- (b) Free Rein’s business (the “**Business**”) and financial affairs,

with the powers and obligations set out in the CCAA and the additional powers as set forth herein. Free Rein and its shareholders, officers, directors, employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) shall advise the Monitor of all material steps taken by Free Rein pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor’s functions.

5. The Monitor is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and Business and, without in any way limiting the generality of the foregoing, the Monitor is hereby expressly empowered and authorized to do any of the following where the Monitor 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, which shall include the Monitor’s ability to abandon, dispose of, or otherwise release any interest in any of the Debtor’s real or personal property, or any right in any immovable;
- (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, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of Free Rein;
- (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 Monitor'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 Free Rein or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to Free Rein and to exercise all remedies of Free Rein in collecting such monies, including, without limitation, to enforce any security held by Free Rein;
- (g) to settle, extend or compromise any indebtedness owing to or by Free Rein;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property or the Business, whether in the Monitor's name or in the name and on behalf of Free Rein, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of Free Rein;
- (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 Free Rein, the Property or the Monitor, 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 Monitor to defend or settle the action in which this Order is made unless otherwise directed by this Court;

- (k) to sell, convey, transfer, lease or assign the Property or the Business or any part or parts thereof out of the ordinary course of business with approval of this Court, and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, RSA 2000, c. P-7 or any other similar legislation in any other province or territory shall not be required;
- (l) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey the Property or Business or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property or the Business;
- (m) to report, meet with and discuss with such affected Persons (as defined below) as the Monitor deems appropriate all matters relating to the Property, the Business and these CCAA proceedings, and to share information, subject to such terms as to confidentiality as the Monitor deems advisable;
- (n) to register a copy of this Order and any other orders in respect of the Property against title to any of the Property, and when submitted by the Monitor for registration this Order shall be immediately registered by the Registrar of Land Titles of Alberta, or any other similar government authority, notwithstanding Section 191 of the *Land Titles Act*, RSA 2000, c. L-4, or the provisions of any other similar legislation in any other province or territory, and notwithstanding that the appeal period in respect of this Order has not elapsed and the Registrar of Land Titles shall accept all Affidavits of Corporate Signing Authority submitted by the Monitor in its capacity as Monitor of Free Rein and not in its personal capacity;

- (o) 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 Monitor, in the name of Free Rein;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of Free Rein, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by Free Rein;
- (q) to exercise any shareholder, partnership, joint venture or other rights which Free Rein may have;
- (r) to exercise any power which may be properly exercised by an officer or the board of directors of Free Rein;
- (s) to issue and/or cancel share certificates in Free Rein;
- (t) monitor Free Rein's receipts and disbursements, Business and dealings with the Property;
- (u) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of Free Rein;
- (v) report to the Applicant and its counsel as requested with financial and other information as agreed to between the Monitor and the Applicant which may be used in these proceedings, including reporting on a basis as reasonably required by the Applicant;
- (w) prepare Free Rein's cash flow statements and reporting as reasonably required by the Applicant, on a periodic basis, as agreed to by the Applicant;
- (x) have full and complete access to the Property, including taking possession of the leased premises, books, records, data, including data in electronic form and other financial documents of Free Rein to the extent that is necessary to adequately

assess the Property, Business, and financial affairs of Free Rein or to perform its duties arising under this Order;

- (y) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (z) hold funds in trust or in escrow, to the extent required, to facilitate settlements between Free Rein and any other Person; and
- (aa) perform such other duties as are required by this Order or by this Court from time to time and take any steps reasonably incidental to the exercise of these powers or performance of any statutory obligations;

and in each case where the Monitor takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including Free Rein and its officers and directors and without interference from any other Person (as defined below).

6. Notwithstanding anything contained in this Order, the Monitor is not and shall not be deemed:
  - (a) a principal, director, officer, or employee of Free Rein;
  - (b) an employer, successor employer, or related employer of the employees of Free Rein or any employee caused to be hired by Free Rein by the Monitor within the meaning of any relevant legislation, regulation, common law, or rule of law or equity governing employment, pensions, or labour standards for any purpose whatsoever or expose the Monitor to any liability to any individual arising from or relating to their employment or previous employment Free Rein; and
  - (c) the receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of Free Rein within the meaning of any relevant legislation, regulation, common law, or rule of law or equity.

7. Free Rein and its officers, directors and Assistants shall cooperate fully with the Monitor and any directions it may provide pursuant to this Order and shall provide such assistance as the Monitor may reasonably request from time to time to enable the Monitor to carry out its duties and powers as set out in this Order, any other order of this Court under the CCAA or applicable law generally.
8. The power and authority granted to the Monitor by virtue of this Order shall, if exercised in any case, be paramount to the power and authority of Free Rein with respect to such matters.
9. (a) Notwithstanding anything in any federal or provincial law, the Monitor is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
  - (i) before the Monitor's appointment; or
  - (ii) after the Monitor's appointment unless it is established that the condition arose or the damage occurred as a result of the Monitor's gross negligence or wilful misconduct.
- (b) Nothing in subparagraph 9(a) exempts the Monitor from any duty to report or make disclosure imposed by a law referred to in that paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to this order, where an order is made which has the effect of requiring the Monitor to remedy any environmental condition or environmental damage affecting the Property, the Monitor 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 Monitor, if the order is in effect when the Monitor is

appointed, or during the Stay Period, the Monitor

- (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 Stay Period, 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 Monitor, if the order is in effect when the Monitor is appointed by,
- (A) the court or body having jurisdiction under the law pursuant to which the order was made to enable the Monitor to contest the order; or
  - (B) the court having jurisdiction in these proceedings for the purposes of assessing the economic viability of complying with the order or,
- (iii) if the Monitor 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.
10. The Monitor shall provide the Applicant and any creditor of Free Rein with information provided by Free Rein in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by Free Rein is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor may determine.

11. In addition to the rights and protections afforded the Monitor under the CCAA or as an Officer of this Court, and the protections afforded to the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.
12. Nothing in this Order shall derogate from the protections from liability provided under the BIA or under any Orders issued by this Court regarding FTI in its capacity as Proposal Trustee in the NOI Proceedings.
13. To the extent permitted by law, the Monitor shall be entitled but not required to make the following advances or payments, on Free Rein's behalf and from Free Rein's accounts, of the following expenses, incurred prior to or after this Order:
  - (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
  - (b) the reasonable fees and disbursements of any Assistants retained or employed by Free Rein in respect of these proceedings, at their standard rates and charges, including for periods prior to the date of this Order.
14. Except as otherwise provided to the contrary herein, the Monitor shall be entitled but not required to pay, on Free Rein's behalf and from Free Rein's accounts, all reasonable expenses incurred by Free Rein in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
  - (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and

- (b) payment for goods or services actually supplied to Free Rein following the date of this Order.
- 15. The Monitor shall remit on Free Rein's behalf and from Free Rein's accounts, in accordance with legal requirements, or pay:
  - (a) any statutory deemed trust amounts in favour of the Crown in Right of Canada or of any Province thereof or any other taxation authority that are required to be deducted from employees' wages, including, without limitation, amounts in respect of:
    - (i) employment insurance,
    - (ii) Canada Pension Plan, and
    - (iv) income taxes,but only where such statutory deemed trust amounts arise after the date of this Order, or are not required to be remitted until after the date of this Order, unless otherwise ordered by the Court;
  - (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by Free Rein in connection with the sale of goods and services by Free Rein, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
  - (c) any amount payable to the Crown in Right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and that are attributable to or in respect of the carrying on of the Business by Free Rein.
- 16. Until such time as a real property lease is disclaimed or resiliated in accordance with the CCAA, the Monitor may pay, on Free Rein's behalf and from Free Rein's accounts, all

amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated by the Monitor from time to time for the period commencing from and including the date of this Order (“**Rent**”), but shall not pay any rent in arrears.

17. Except as specifically permitted in this Order, the Monitor is hereby directed, until further order of this Court:
  - (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by Free Rein to any of its creditors as of the date of this Order;
  - (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and
  - (c) not to grant credit or incur liabilities except in the ordinary course of the Business.

#### **RESTRUCTURING**

18. The Monitor shall, subject to such requirements as are imposed by the CCAA, have the right to:
  - (a) permanently or temporarily cease, downsize or shut down any portion of the Business or operations and to dispose of redundant or non-material assets not exceeding \$25,000 in any one transaction or \$100,000 in the aggregate, provided that any sale that is either (i) in excess of the above thresholds, or (ii) in favour of a person related to Free Rein (within the meaning of section 36(5) of the CCAA), shall require authorization by this Court in accordance with section 36 of the CCAA;
  - (b) terminate the employment of such of Free Rein’s employees or temporarily lay off such of its employees as it deems appropriate whether by agreement or otherwise;
  - (c) disclaim or resiliate, in whole or in part, Free Rein’s arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the Monitor deems appropriate, in accordance with section 32 of the CCAA; and

- (d) pursue all avenues of refinancing or restructuring of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or restructuring,

all of the foregoing to permit Free Rein to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

19. The Monitor shall provide each of the relevant landlords with notice of its intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal. If the landlord disputes the Monitor’s or Free Rein’s entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Monitor, or by further order of this Court upon application by the Monitor on at least two (2) days’ notice to such landlord and any such secured creditors. If the Monitor disclaims or resiliates the lease governing such leased premises in accordance with section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute other than Rent payable for the notice period provided for in section 32(5) of the CCAA, and the disclaimer or resiliation of the lease shall be without prejudice to Free Rein’s claim to the fixtures in dispute.
20. If a notice of disclaimer or resiliation is delivered pursuant to section 32 of the CCAA, then:
  - (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving Free Rein and the Monitor 24 hours’ prior written notice; and
  - (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against Free Rein in respect of such lease or leased premises and such landlord shall be entitled to notify Free Rein and the Monitor of the basis on which it is taking possession and to gain

possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

**NO PROCEEDINGS AGAINST FREE REIN OR THE PROPERTY**

21. Until and including **January 31, 2024**, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court (each, a “**Proceeding**”) shall be commenced or continued against or in respect of Free Rein or the Monitor, or affecting the Business or the Property, except with leave of this Court, and any and all Proceedings currently under way against or in respect of Free Rein or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

**NO EXERCISE OF RIGHTS OR REMEDIES**

22. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”), whether judicial or extra-judicial, statutory or non-statutory against or in respect of Free Rein or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:
- (a) empower Free Rein to carry on any business that Free Rein is not lawfully entitled to carry on;
  - (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA;
  - (c) prevent the filing of any registration to preserve or perfect a security interest;
  - (d) prevent the registration of a claim for lien; or
  - (e) exempt Free Rein from compliance with statutory or regulatory provisions relating to health, safety or the environment.

23. Nothing in this Order shall prevent any party from taking an action against Free Rein where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

#### **NO INTERFERENCE WITH RIGHTS**

24. During the Stay Period, no person shall accelerate, suspend, 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 Free Rein, except with the written consent of Free Rein and the Monitor, or leave of this Court.

#### **CONTINUATION OF SERVICES**

25. During the Stay Period, all persons having:
- (a) statutory or regulatory mandates for the supply of goods and/or services; or
  - (b) oral or written agreements or arrangements with Free Rein, 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 Business or Free Rein

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by Free Rein or exercising any other remedy provided under such agreements or arrangements. Free Rein shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by Free Rein in accordance with the payment practices of Free Rein, or such other practices as may be agreed upon by the supplier or service provider and each of Free Rein and the Monitor, or as may be ordered by this Court.

**NON-DEROGATION OF RIGHTS**

26. Nothing in this Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to Free Rein.

**PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

27. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph 22 of this Order, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of Free Rein with respect to any claim against the directors or officers that arose before the date of this Order and that relates to any obligations of Free Rein whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of Free Rein, if one is filed, is sanctioned by this Court or is refused by the creditors of Free Rein or this Court.

**PROFESSIONAL FEES**

28. The Monitor and counsel to the Monitor, and counsel to the Applicant shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements related to these CCAA proceedings), in each case at their standard rates and charges, by Free Rein as part of the costs of these proceedings. Free Rein's counsel, the Proposal Trustee and counsel to the Proposal Trustee and the Applicant, shall be paid its reasonable fees and disbursements incurred during the NOI Proceeding, to the extent they have not been paid. Free Rein is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, counsel for the Applicant and any outstanding accounts of Free Rein's counsel as of the date of this Order.
29. The Monitor and its legal counsel shall pass their accounts from time to time.

30. The Monitor, counsel to the Monitor, counsel to the Applicant and counsel to Free Rein, as security for the professional fees and disbursements incurred both before and after the granting of this Order, shall be entitled to the benefits of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge is a continuation of the Administration Charge granted in the NOI Proceedings, and shall not exceed an aggregate amount of \$200,000, as security for their professional fees and disbursements incurred at the normal rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings and in respect of the NOI Proceedings.
31. The filing, registration or perfection of the Administration Charge shall not be required, and the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.
32. The Administration Charge shall constitute a charge on the Property and subject always to section 34(11) of the CCAA such Administration Charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.
33. The Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Administration Charge (the "**Chargees**") shall not otherwise be limited or impaired in any way by:
  - (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
  - (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications;
  - (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
  - (d) the provisions of any federal or provincial statutes; or

- (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) that binds Free Rein, and notwithstanding any provision to the contrary in any Agreement:
  - (i) neither the creation of the Administration Charge nor the execution, delivery, perfection, registration or performance of any documents in respect thereof shall create or be deemed to constitute a new breach by Free Rein of any Agreement to which it is a party;
  - (ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Administration Charge; and
  - (iii) the payments made by Free Rein pursuant to this Order and the granting of the Administration Charge, does not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

#### **ALLOCATION**

- 34. Any interested Person may apply to this Court on notice to any other party likely to be affected for an order to allocate the Administration Charge amongst the various assets comprising the Property.

#### **SERVICE AND NOTICE**

- 35. The Monitor shall (i) without delay, publish in the *BOE Report* a notice containing the information prescribed under the CCAA; (ii) within five (5) days after the date of this Order (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against Free Rein of more than \$1,000 and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the

prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder.

36. The Monitor shall establish or continue a case website in respect of the within proceedings at <http://cfcanada.fticonsulting.com/freerein/> (the "**Monitor's Website**")
37. The Applicant and the Monitor are at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, recorded mail, courier, personal delivery or electronic transmission to Free Rein's creditors or other interested parties at their respective addresses as last shown on the records of Free Rein and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail or recorded mail, on the seventh day after mailing. Any person that wishes to be served with any application and other materials in these proceedings must deliver to the Applicant or the Monitor by way of ordinary mail, courier, or electronic transmission, a request to be added to the service list (the "**Service List**") to be maintained by the Monitor.
38. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsel's email addresses as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on the Monitor's website.
39. The Applicant, Free Rein, and, where applicable, the Monitor are at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by sending true copies thereof by prepaid ordinary mail, recorded mail, courier, personal delivery or electronic transmission to Free Rein's creditors or other interested parties at their respective addresses last shown on the records of Free Rein, or as otherwise updated on the Service List.

#### **GENERAL**

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

41. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Monitor 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. The Monitor's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
42. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager or a trustee in bankruptcy of Free Rein, the Business or the Property.
43. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction, to give effect to this Order and to assist the Applicant, Free Rein and the Monitor and their respective 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 Applicant, Free Rein and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant, Free Rein and the Monitor and their respective agents in carrying out the terms of this Order.
44. Each of the Applicant, Free Rein and the Monitor 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 Monitor is authorized and empowered to act as a representative in respect of the within proceeding for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
45. Any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

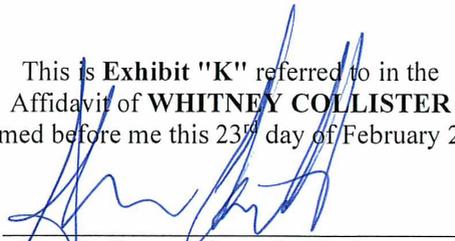
46. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.

*James P. Nelson*

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Justice of the Court of Queen's Bench of Alberta

This is Exhibit "K" referred to in the  
Affidavit of **WHITNEY COLLISTER**  
affirmed before me this 23<sup>rd</sup> day of February 2026.



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A Commissioner for Oaths  
in and for Alberta

**Amara C. Hewitt**  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires November 3, 2026

CERTIFIED *E. Wheaton*  
by the Court Clerk as a true copy of the  
document digitally filed on Apr 15, 2024

Clerk's Stamp

COURT FILE NUMBER 2401-01422

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, as amended  
AND IN THE MATTER OF THE COMPROMISE OR  
ARRANGEMENT OF GRIFFON PARTNERS OPERATION  
CORPORATION, GRIFFON PARTNERS HOLDING  
CORPORATION, GRIFFON PARTNERS CAPITAL  
MANAGEMENT LTD., STELLION LIMITED, 2437801  
ALBERTA LTD., 2437799 ALBERTA LTD., 2437815 ALBERTA  
LTD., and SPICELO LIMITED



DOCUMENT **AMENDED ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
**OSLER, HOSKIN & HARCOURT LLP**  
Barristers & Solicitors  
Brookfield Place, Suite 2700  
225 6 Ave SW  
Calgary, AB T2P 1N2

Solicitors: Randal Van de Mosselaer / Julie Treleaven  
Telephone: (403) 260-7000 / 7048  
Email: [RVandemosselaer@osler.com](mailto:RVandemosselaer@osler.com) / [JTreleaven@osler.com](mailto:JTreleaven@osler.com)  
File Number: 1246361

**DATE ON WHICH ORDER WAS PRONOUNCED:** April 10, 2024

**LOCATION WHERE ORDER WAS PRONOUNCED:** Edmonton, Alberta

**JUSTICE WHO MADE THIS ORDER:** The Honourable Justice Gill

**UPON** the application of Griffon Partners Operation Corporation, Griffon Partners Holding Corporation, Griffon Partners Capital Management Ltd., Spicelo Limited (“**Spicelo**”), Stellion Limited, 2437801 Alberta Ltd., 2437799 Alberta Ltd., and 2437815 Alberta Ltd. (collectively, the “**Applicants**”); **AND UPON** reading the Affidavit of Daryl Stepanic, sworn March 15, 2024; **AND UPON** reading the Second Report of Alvarez & Marsal Canada Inc. (the “**Monitor**”) filed March 21, 2024; **AND UPON** reading the Third Report of the

Monitor filed April 4, 2024; **AND UPON** hearing from counsel for the Applicants, counsel for the Monitor, counsel for Trafigura Canada Limited (“**Trafigura**”) and Signal Alpha C4 Limited (“**Signal**” and together with Trafigura, the “**Lenders**”), counsel for Tamarack Valley Energy Ltd. (“**TVE**”), counsel for Greenfire Resources Ltd. (“**GFR**”), and any other interested party; **AND UPON** being satisfied that the Applicants have acted and continue to act in good faith and with due diligence and that circumstances exist that make this Order appropriate;

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

**SERVICE**

1. The time for service of this application is hereby abridged and deemed good and sufficient and this application is properly returnable today, and no other person other than those persons served is entitled to service of this application.

**EXTENSION OF THE STAY PERIOD**

2. The Stay Period, as defined in paragraph 14 of the Amended and Restated Initial Order granted in these proceedings by the Honourable Justice B. Johnston on February 7, 2024 (the “**ARIO**”) is hereby extended for Spicelo up to and including April 17, 2024.

**ENHANCED MONITOR POWERS**

3. Notwithstanding any other provision of the ARIO, in addition to other rights and obligations of the Monitor under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”), the Monitor is hereby empowered and authorized, but not obligated, to act at once in respect of the property and business of Spicelo and, without in any way limiting the generality of the foregoing, the Monitor is hereby expressly empowered and authorized to do any of the following where the Monitor considers it necessary or desirable (collectively, the “**Monitor’s Enhanced Powers**”):
  - (a) to take possession of and exercise control over all of Spicelo’s present and after-acquired assets, property and undertakings (the “**Spicelo Property**”), and any and all proceeds, receipts and disbursements arising out of or from the property, which shall include the Monitor’s ability to abandon, dispose of, or otherwise release any

interest in any of Spicelo's real or personal property, or any right in any immoveable;

- (b) to receive, preserve and protect Spicelo's Property, or any part or parts thereof;
- (c) to manage, operate and carry on the business of Spicelo, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of Spicelo;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel, financial advisors, investment dealers, and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Monitor's Enhanced Powers conferred by the ARIO;
- (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of Spicelo or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to Spicelo and to exercise all remedies of Spicelo in collecting such monies, including, without limitation, to enforce any security held by Spicelo;
- (g) to settle, extend or compromise any indebtedness owing to or by Spicelo;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of Spicelo's Property or business, whether in the Monitor's name or in the name and on behalf of Spicelo, for any purpose pursuant to the ARIO;
- (i) to undertake environmental or workers' health and safety assessments of the property and operations of Spicelo;
- (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 Spicelo, the property or the Monitor (in relation to the exercise by the Monitor of the Monitor's Enhanced Powers), 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 the ARIO shall authorize the Monitor to defend or settle the action in which the ARIO was made unless otherwise directed by this Court;

- (k) to market any or all of Spicelo's 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 Monitor in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign or otherwise enter into transactions respecting Spicelo's Property or any part or parts thereof out of the ordinary course of business, either:

- (i) with the written prior approval of Spicelo shareholder, the Lenders, and TVE, and after consulting with GFR, which written prior approval may be provided by way of a written agreement entered into between Spicelo shareholder, the Lenders and TVE (and after consultation with GFR) which provides the Monitor with direction and authority to accept an offer or bid for the Spicelo Property immediately without requiring pre-approval from the Court and without requiring specific approval from Spicelo shareholder, the Lenders and TVE for each bid as it is received;
- (ii) in accordance with the terms of any sale process which may be granted by this Court on subsequent application by the Monitor; or
- (iii) with the approval of this Court on application by the Monitor,

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, RSA 2000, c P-7 or any other similar legislation in any other province or territory shall not be required;

- (m) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey Spicelo's 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 the Monitor deems appropriate all matters relating to Spicelo's Property, business, and these proceedings, and to share information, subject to such terms as to confidentiality as the Monitor deems advisable;
- (o) to register a copy of the ARIO and any other orders in respect of Spicelo's Property against title to any of the property of Spicelo;
- (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 Monitor, in the name of Spicelo;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of Spicelo, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by Spicelo;
- (r) to exercise any shareholder, partnership, joint venture or other rights which Spicelo 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 Monitor takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other persons, including the Applicants, and without interference from any other person.

4. Notwithstanding anything contained in this Order, the Monitor is not and shall not be deemed:

- (a) a principal, director, officer, or employee of the Applicants;
- (b) an employer, successor employer, or related employer of the employees of the Applicants or any employee caused to be hired by the Applicants by the Monitor

within the meaning of any relevant legislation, regulation, common law, or rule of law or equity governing employment, pensions, or labour standards for any purpose whatsoever or expose the Monitor to any liability to any individual arising from or relating to their employment or previous employment Applicants; and

- (c) the receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of Spicelo or any of the Applicants within the meaning of any relevant legislation, regulation, common law, or rule of law or equity.

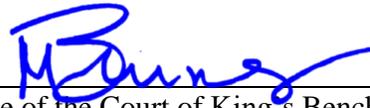
### **MONITOR PROTECTIONS**

- 5. The enhancement of the Monitor's powers as set for in this Order, the exercise by the Monitor of any of its powers, the performance by the Monitor of any of its duties, or the employment by the Monitor of any person in connection with its appointment and the performance of its powers and duties shall not constitute the Monitor as an employer, successor employer, or related employer of the employees of the Applicants or any employee caused to be hired by the Applicants or by the Monitor within the meaning of any provincial, federal or municipal legislation, other relevant legislation, regulation, common law, or rule of law or equity governing employment, pensions, or labour standards for any purpose whatsoever or expose the Monitor to any liability to any individual arising from or relating to their employment or previous employment Applicants.
- 6. Without limiting the provisions of the ARIIO, all employees and consultants of the Applicants shall remain employees or consultants of the Applicants, until such time as the Monitor, on the Applicants' behalf, may terminate the employment of such employees or other contractual or consulting agreements. Nothing in this Order shall, in and of itself, cause the Monitor to be liable for any employee-related liabilities or duties, including, without limitations, wages, severance pay, termination pay, vacation pay and pension or benefit amounts.
- 7. The Monitor is not and shall not be or be deemed to be a principal, director, officer, or employee of the Applicants.

8. The Monitor shall continue to have the benefits of all of the indemnities, charges, protections and priorities as set out in the ARIO and any other Order of this Court and all such indemnities, charges, protections and priorities shall apply and extend to the Monitor and the fulfillment of its duties or the carrying out of the provisions of this Order.
9. The Applicants (including Spicelo) shall cooperate fully with the Monitor and any directions it may provide pursuant to this Order and shall provide such assistance as the Monitor may reasonably request from time to time to enable the Monitor to carry out its duties and powers as set out in the ARIO, this Order, or any other Order of this court under the CCAA or applicable law, generally.
10. Nothing in this Order shall constitute or be deemed to constitute the Monitor as receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of Spicelo or any of the Applicants within the meaning of any relevant legislation, regulation, common law, or rule of law or equity. For greater clarity, any distribution to creditors of Spicelo or any of the Applicants administered by the Monitor on behalf of Spicelo or any of the Applicants will be deemed to have been made by Spicelo or any of the Applicants, respectively, themselves.
11. In addition to the rights and protections afforded to the Monitor under the CCAA, the ARIO, this Order, or any other Order granted by this Honourable Court or as an officer of this Court, the Monitor shall incur no liability or obligation, in its personal or corporate capacity, as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislations.
12. The power and authority granted to the Monitor by virtue of this Order shall, if exercised in any case, be paramount to the power and authority of the Applicants with respect to such matters and in the even of a conflict, the terms of this Order and those of the ARIO or any other Order of this Court, the provisions of this Order shall govern.

**MISCELLANEOUS**

13. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.



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Justice of the Court of King's Bench of Alberta

**STIKEMAN ELLIOT LLP**

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Karen Fellowes

Counsel for Trafigura Canada Limited and  
Signal Alpha C4 Limited

**STIKEMAN ELLIOT LLP**

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Matti Lemmens

Counsel for Tamarack Valley Energy Ltd.

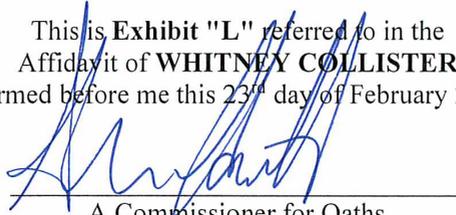
**TORYS LLP**

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Kyle Kashuba

Counsel for Alvarez & Marsal Canada Inc.,  
in its capacity as Monitor

This is **Exhibit "L"** referred to in the  
Affidavit of **WHITNEY COLLISTER**  
affirmed before me this 23<sup>rd</sup> day of February 2026.



\_\_\_\_\_  
A Commissioner for Oaths  
in and for Alberta

**Amara C. Hewitt**  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires November 3, 2028

UNITED STATES DISTRICT COURT  
DISTRICT OF SOUTH DAKOTA  
SOUTHERN DIVISION

|   |   |
|---|---|
| <p>COMPEER FINANCIAL, PCA;<br/><br/>Plaintiff,<br/><br/>vs.<br/><br/>SUNWOLD FARMS, INC., SUNTERRA FARMS IOWA, INC.; and LARIAGRA FARMS SOUTH, INC.,<br/><br/>Defendants,<br/><br/>THE PORK GROUP, INC.; and TYSON FRESH MEATS, INC.;<br/><br/>Intervenors.</p> | <p>4:25-CV-04044-ECS<br/><br/><br/><br/>OPINION &amp; ORDER GRANTING PLAINTIFF’S MOTION TO AVOID MANDATORY MEDIATION AND MOTION TO APPOINT A RECEIVER</p> |
|---|---|

On March 18, 2025, Compeer Financial, PCA (“Compeer”) filed a verified complaint<sup>1</sup> in South Dakota state court against Sunwold Farms, Inc.; Sunterra Farms Iowa, Inc.; and Lariagra Farms South, Inc. (collectively “Defendants”). Doc. 1-2. On March 24, 2025, the case was removed to this Court. Doc. 1. Compeer’s Complaint alleges breach of contract and fraud claims, among others, against Defendants stemming from Defendants’ alleged check-kiting scheme<sup>2</sup> and subsequent default on their line of credit with Compeer. Doc. 1-2.

Presently before the Court are Compeer’s motions to avoid mandatory mediation and appoint a receiver. Docs. 2, 3. An expedited evidentiary hearing was set for Compeer’s motions

<sup>1</sup> Steve Grosland, Compeer’s representative, signed the pleading in accordance with 28 U.S.C. § 1746. See Doc. 1-2 at 30.

<sup>2</sup> A check-kiting scheme is a systematic depositing of checks without funds into one or more accounts, which causes the bank balance to appear inflated.

because it alleges its collateral on Defendants' loans, largely Defendants' 110,000 head of swine, are in danger of diminishing in value given Defendants' insolvent position. Before the hearing, The Pork Group, Inc., and Tyson Fresh Meats, Inc., who both have an interest in Defendants' operations and also seek the appointment of a receiver, intervened. Doc. 12. Because Compeer is threatened with irreparable harm, this Court grants both of its motions.

### **I. Background**

Compeer is a member of the Farm Credit System, providing lending and other financial services to its member-owners, who are producers, processors, and marketers of agricultural products. Doc. 1-2 ¶ 17.<sup>3</sup> Compeer has regularly provided lending services to Defendants over the years. *Id.* ¶ 18. Defendant Sunterra is a hog management company that manages around 500,000 pig spaces for Sunwold, Lariagra, and various other entities. *Id.* Defendant Sunwold is a “wean-to-finish” operation that purchases weaned pigs and then raises those pigs to market weight in contract nurseries and finishing barns in South Dakota. *Id.* ¶ 14. Defendant Lariagra is also a “wean-to-finish” operation that raises pigs to market weight in contract nurseries and finishing barns in South Dakota. *Id.* ¶ 16. All Defendants have the same parent company, Sunterra Enterprises, Inc., a Canadian corporation allegedly directed by Ray Price, Art Price, and Glen Price. *Id.* ¶ 8; Doc. 11.

On October 7, 2024, all three Defendants executed and delivered promissory note agreements to Compeer establishing revolving lines of credit. Doc. 1-2 ¶¶ 41, 46, 51. Through these agreements, Sunwold, Sunterra, and Lariagra received \$7,000,000, \$500,000, and \$4,000,000 lines of credit, respectively. *Id.* Collectively, Defendants had a \$11,500,000 line of

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<sup>3</sup> The background information recited in this section is taken primarily from Compeer's verified Complaint.

credit with Compeer. Id. Defendants' lines of credit were secured by security agreements granting Compeer a senior, perfected security interest in various items of personal property, including but not limited to 110,000 pigs Defendants owned in South Dakota. Id. ¶ 21.

On February 10, 2025, Compeer's Farm Cash Management ("FCM") accounts, which allow Defendants to deposit excess cash to earn interest on those funds, similar to a money market account, showed Defendants had a combined positive balance of approximately \$21,000,000 in funds payable to Defendants. Id. ¶¶ 22–23. At this time, Compeer's in-house counsel learned of significant recent activity involving Defendants' accounts. Id. ¶ 24. Defendants were: (i) writing multiple checks each day, which were being sent via next-day mail to be deposited into an account with National Bank of Canada, previously Canadian Western Bank ("CWB"), and (ii) simultaneously sending Compeer multiple checks each day drawn against that CWB account to pay down its lines of credit or increase the balance in its FCM accounts with Compeer. Id. In other words, Defendants were sending nearly identical amounts and numbers of checks back and forth between CWB and Compeer daily. Id. The checks were issued in amounts ranging between \$800,000 and \$990,000, and no single check exceeded \$1,000,000. Id. Compeer alleges these international checks did not exceed \$1,000,000 to avoid scrutiny by the United States Bulk Exchange. Id.

Compeer subsequently investigated this matter and believes Defendants were engaged in a sophisticated check-kiting scheme. Id. ¶ 25. Between January 1, 2025, and February 10, 2025, alone, Defendants allegedly issued 474 checks out of their Compeer accounts (for deposit with CWB) for a total of \$431,301,200, while during that same time, they deposited 472 checks into their Compeer accounts (out of CWB) for a total of \$432,359,712.35. Id. This averages out to approximately 18 checks and \$16,588,508 out of the Compeer accounts each day. Id. Compeer

claims Defendants used Compeer's and CWB's financial account "floats" to falsely create the illusion of positive cash balances at Compeer and CWB. Id. ¶ 26.

In response to these revelations, Compeer personnel spoke with Defendants' CEO, Ray Price, on February 11, 2025, to better understand Defendants' check-writing activity. Id. ¶ 27. Following, Compeer's communications with Price, it terminated Defendants' drafting privileges out of Compeer's accounts but stated it would consider permitting checks written for necessary operational expenses. Id. On February 11, 2025, Compeer was notified that 18 drafts had been drawn on the Compeer accounts for intercompany transfers to CWB, totaling \$16,302,000. Id. Pursuant to its written notice to Ray Price, Compeer dishonored all 18 drafts. Id. On February 12, 2025, Compeer received another batch of approximately \$9,000,000 in checks drawn on the CWB account for deposit into the Defendants' accounts with Compeer. Id. ¶ 29. Compeer personnel then had another video conference with Ray Price. Id. ¶ 30. During the call, Ray Price admitted that Defendants should not have been sending checks back and forth between the same accounts as this was "wrong." Id. Ray Price believed Compeer was holding a \$20,000,000 in positive FCM balances that he wanted sent back to the accounts at CWB to cover their overdraft position there. Id. Compeer refused Price's request. Id. ¶ 31.

On February 13, 2025, Compeer personnel had another call with Ray Price. At that time, Price advised that the CWB accounts were overdrawn by approximately \$21,000,000 and that they needed money sent back from Compeer to cover the overdrafts. Id. ¶ 32.<sup>4</sup> Compeer advised Price that it would not release any funds until it could verify that there were sufficient funds in

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<sup>4</sup> On March 17, 2025, CWB filed an application in the Court of King's Bench of Alberta, Canada, requesting the appointment of an interim receiver. Id. ¶ 36.

the account and requested consent to communicate directly with CWB to verify funds. Id. Price refused. Id. ¶¶ 32–33.

During the week of February 24, 2025, Compeer determined that CWB had dishonored 65 checks totaling \$59,900,000, which had been credited to Defendants' accounts with Compeer. Id. ¶ 34. As a result, the approximately \$21,000,000 positive cash balance that was showing in Defendants' accounts as owed by Compeer to Defendants was immediately wiped out, and instead there was more than \$30 million of debt owing from Defendants to Compeer, despite Compeer only providing Defendants with a combined credit limit of \$11,500,000. Id.

Given Defendants' financial woes, Compeer claims Defendants Sunwold and Lariagra are not paying barn rent for the barns that are housing some, if not all, of the approximately 110,000 head of swine that Compeer has a security interest in. Id. ¶ 97. Although Compeer has no contractual obligation to continue advancing funds to Defendants, it alleges that it has continued to provide funds to care for and feed the pigs. Id. ¶ 37. Compeer, however, seeks a receiver, in part, because they have trust issues with the parties who they allege perpetrated this fraud against them and CWB. Id. ¶ 38.

As of March 7, 2025, Sunwold owed Compeer approximately \$14,001,385. Id. ¶ 64. As of March 7, 2025, Sunterra owed Compeer approximately \$18,943,468. Id. ¶ 65. As of March 7, 2025, Lariagra owed Compeer approximately \$2,314,842. Id. ¶ 67. Ultimately, Compeer claims that, as of March 7, 2025, Defendants are collectively in debt to Compeer in the approximate amount of \$35,259,796. Id. ¶ 68.

Compeer estimates Sunwold's assets are worth \$8,955,347. Id. ¶ 45. It estimates Sunterra's assets are worth approximately \$3,007,769. Id. ¶ 50. It estimates Lariagra's assets

are worth approximately \$7,054,608. Id. ¶ 56. Compeer estimates that the value of all collateral is \$19,017,724.

On March 26, 2025, The Pork Group, Inc., (“TPG”) and Tyson Fresh Meats, Inc., (“TFM”) intervened in this matter. Doc. 12. TPG has a management agreement with Defendant Sunterra in which Sunterra manages hogs owned by TPG for a monthly fee. Doc. 12-1 ¶ 10. Sunterra is responsible for the day-to-day care of the hogs. Id. TFM has a contract with Defendant Sunwold to deliver finished hogs to be processed by TFM at its packing facilities. Id. ¶ 11. TFM pays for these hogs upon delivery pursuant to terms in their contract. Id. TPG and TFM intervened because they were concerned about the continued well-being and care of some additional 300,000 hogs, which are not subject to the security agreements between Compeer and Defendants, in the possession of Defendants. Id. ¶¶ 12–24. Ultimately, TPG and TFM seek a receiver to manage and care for the hogs Defendants’ possession. Id.

This Court held an evidentiary hearing on March 27, 2025, where all parties to this matter appeared through counsel. The only witness called at the hearing was Steve Grosland, a risk assessment officer for Compeer. Defendants did not present any witnesses. The evidence at the hearing supports the facts from the pleadings cited above and is hereby incorporated by reference in this Opinion and Order. During the hearing, Compeer, TPG, and TFM all agreed that they would not object to Pipestone Management II, LLC serving as a receiver, if the Court was inclined to grant Compeer’s motion.

## **II. Discussion**

### **A. Mandatory Mediation**

Compeer first moves to avoid mandatory mediation, Doc. 3. Mandatory mediation is governed by SDCL § 54-13-10, which states:

A creditor desiring to commence an action or a proceeding in this state to enforce a debt totaling fifty thousand dollars or greater against agricultural land or agricultural property of the borrower or to foreclose a contract to sell agricultural land or agricultural property or to enforce a secured interest in agricultural land or agricultural property or pursue any other action, proceeding or remedy relating to agricultural land or agricultural property of the borrower shall file a request for mandatory mediation with the director of the agricultural mediation program. No creditor may commence any such action or proceeding until the creditor receives a mediation release as described in this chapter, or the debtor waives mediation *or until a court determines after notice and hearing, that the time delay required for mediation would cause the creditor to suffer irreparable harm* because there are reasonable grounds to believe that the borrower may waste, dissipate, or divert agricultural property or that the agricultural property is in imminent danger of deterioration.

(emphasis added). Compeer maintains “the time delay required for the mandatory mediation under SDCL § 54-13-10 would cause Compeer to suffer irreparable harm.” Doc 3 at 2.

Compeer alleges that “reasonable grounds [exist] to believe that [Defendants will] waste, dissipate, or divert agricultural property or that . . . agricultural property is in imminent danger of deterioration.” Doc 8 at 2 (quoting SDCL § 54-13-10). Compeer claims that, because of Defendants’ alleged check-kiting scheme, “Defendants are heavily indebted to Compeer, CWB, and likely other financial institutions” and fear their security interest in “approximately 110,000 head of swine located in barns across South Dakota” is in imminent danger. *Id.* at 2–3.

Compeer argues in the alternative that, even if this Court finds there is no irreparable harm, mandatory mediation in this case is impractical because SDCL § 54-13-11 requires that mandatory mediation include “all creditors.”<sup>5</sup>

Defendants, on the other hand, maintain that Compeer has not met its burden to avoid mediation. Doc. 16. Mainly, Defendants claim Compeer has not demonstrated the required showing of “irreparable harm.” *Id.* Defendants allege Compeer’s harm is self-inflicted because

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<sup>5</sup> For purposes of this chapter, a “creditor,” is “any individual, organization, cooperative, partnership, trust, or state or federally chartered corporation to whom is owed agricultural debt by a borrower.” SDCL § 54-13-1(5).

it controls the “purse strings,” so Defendants cannot pay expenditures without Compeer’s permission. Id. Defendants maintain this self-inflicted injury cannot satisfy the “irreparable harm” standard of SDCL § 54-13-10.

“SDCL § 54-13-10 is not jurisdictional in nature and a creditor’s failure to file a mediation request does not warrant dismissal.” LOL Fin. Co. v. Enger, No. 20-CV-04158, 2021 WL 2477657, at \*3 (D.S.D. June 17, 2021) (citing Walsh v. Larsen, 705 N.W.2d 638, 641–43 (S.D. 2005)). Thus, this Court retains jurisdiction to determine whether Compeer is excused from mandatory mediation.

Grosland testified that Defendants’ pigs (Compeer’s collateral) lack feed and veterinary care. Grosland added that propane was running low, which is used to heat the barns that house Defendants’ pigs. Grosland mentioned that pigs must be sheltered in an area with a temperature of 80°F and indicated concern about Defendants’ ability to achieve this given the lack of propane. Grosland also had hesitation on whether paychecks for employees that work the pigs, absent this Court’s intervention, would be issued.

The Court disagrees with Defendants’ argument that Compeer’s harm was self-inflicted. At the hearing, Defense counsel argued that Compeer was trying to wrongfully “turn off the taps” on Defendants to cause an emergency. He further stated Compeer could instead protect its interest in the pigs by continuing to funnel money to Defendants. Asking for Compeer to “keep the taps flowing” while Defendants’ accounts are overdrawn tens of millions of dollars due to Defendants’ alleged fraud is an untenable argument.

After reviewing all the evidence here, the Court determines that “the time delay required for mediation would cause [Compeer and other creditors of Defendants] to suffer irreparable

harm<sup>6</sup> because there are reasonable grounds to believe that [Defendants] may waste, dissipate, or divert agricultural property or that the agricultural property is in imminent danger of deterioration.” SDCL § 54-13-10. Thus, this Court grant’s Compeer’s motion to avoid mandatory mediation, Doc. 3.

### **B. Receiver**

Compeer asks this Court to appoint a receiver to protect its interest in the 110,000 head of swine that Defendants currently possess. Doc. 2. Compeer first claims that, because Defendants are in default, a receiver needs to be appointed as they all expressly consented to a receiver in the event of a default. Doc. 7 at 4–5. Compeer maintains that a receiver needs to be appointed given the lack of trust they have given Defendants alleged check-kiting scheme and insolvency. *Id.* at 5–7.

Defendants, on the other hand, contend Compeer’s lawsuit is premature since they have not been given 45 days from the notice of their right to restructure their loans under the Agricultural Credit Act. Doc. 18 at 1–2. Given that Compeer sent Defendants a notice of their rights to apply to restructure their loan, Defendants maintain Compeer may not proceed with a foreclosure proceeding until April 11, 2025. *Id.* at 3. Defendants further contend a receiver is an extreme remedy that is unwarranted at this time. *Id.* at 5–9.

This Court will first address Defendants’ argument that the Agricultural Credit Act prohibits Compeer from proceeding with their request for a receiver. Defendants maintain that because Compeer sent them a notice of restructuring pursuant to 12 U.S.C. § 2202a(b)(2) it is

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<sup>6</sup> Defense counsel argued that Compeer’s injury was not irreparable because it could be fixed with “money.” Irreparable harm, however, “may lie in connection with an action for money damages where the claim involves an obligation owed by an insolvent or a party on the brink of insolvency.” *Five Star Bank v. Mott*, No. 24-CV-6153, 2024 WL 5399075, at \*7 (W.D.N.Y. Apr. 4, 2024) (collecting cases).

prohibited from “foreclose[ing] or continu[ing] any foreclosure proceeding with respect to any distressed loan before the lender has completed any pending consideration of the loan for restructuring under this section.” 12 U.S.C. § 2202a(b)(3). Defendants argument, however, falters for two reasons.

First, the statute Defendants cite for the authority that Compeer cannot proceed with this action also states:

This section shall not be construed to prevent any qualified lender from enforcing any contractual provision that allows the lender to foreclose a loan, or from taking such other lawful action as the lender deems appropriate, if the lender has reasonable grounds to believe that the loan collateral will be destroyed, dissipated, consumed, concealed, or permanently removed from the State in which the collateral is located.

12 U.S.C. § 2202a(i). Defendants expressly consented to a receiver in the event of a default. Doc. 1-2 ¶ 59. Additionally, the “reasonable grounds” standard in § 2202a(i) is exceedingly similar to the exception in South Dakota’s mandatory mediation statute, SDCL § 54-13-10. This Court made this reasonable grounds determination above and does so in this context as well.

Second, “there is no implied private right of action available to enforce the [Agricultural Credit Act]” because “‘Congress intended administrative review to be the exclusive remedy’ for violations of the Act.” Zajac v. Fed. Land Bank of St. Paul, 909 F.2d 1181, 1183 (8th Cir. 1990) (quoting Harper v. Fed. Land Bank of Spokane, 878 F.2d 1172, 1178 (9th Cir. 1989)). “The prevailing view of the federal courts is that by enacting a comprehensive scheme with the integrated system of procedures for enforcement Congress clearly intended administrative review to be the exclusive remedy available to borrowers for alleged violations of the Agricultural Credit Act. The result is that the state courts are precluded from creating additional legal or equitable remedies.” Speck v. Fed. Land Bank of Omaha, 494 N.W.2d 628, 631 (S.D. 1993) (citing Zajac, 909 F.2d 1181 (additional citations omitted)). The South Dakota Supreme Court in

Speck ultimately held that there are “no provisions of South Dakota law that would allow or require importation of the requirements of a federal statute directed at a federal agency into state foreclosure actions.” Id. at 632. Thus, because “Congress intended administrative review to be the exclusive remedy,” this Court cannot enforce the provisions of the Agricultural Credit Act.

This Court now turns to the parties arguments over the receiver. “The appointment of a receiver in a diversity case is a procedural matter governed by federal law and federal equitable principles.” Aviation Supply Corp. v. R.S.B.I. Aerospace, Inc., 999 F.2d 314, 316 (8th Cir. 1993). “A receiver is an extraordinary equitable remedy that is only justified in extreme situations.” Id. “Although there is no precise formula for determining when a receiver may be appointed, factors typically warranting appointment are a valid claim by the party seeking the appointment; the probability that fraudulent conduct has occurred or will occur to frustrate that claim; imminent danger that property will be concealed, lost, or diminished in value; inadequacy of legal remedies; lack of a less drastic equitable remedy; and likelihood that appointing the receiver will do more good than harm.” Id. at 316–17. “It is well settled that proof of fraud is not required to support a district court’s discretionary decision to appoint a receiver.” Id. at 317. However, courts often consider the “fraudulent conduct on the part of defendant.” See 12 Charles Alan Wright et al., Federal Practice and Procedure § 2983 (3d ed.), Westlaw (database updated June 2024). Additionally, “[t]he existence of a contractual provision consenting to the appointment of a receiver weighs in favor of appointing one.” Deutsche Bank Tr. Co. Americas v. Greenfield of Perkiomen Valley, LLC, No. CV 23-1439, 2024 WL 38040, at \*2 (E.D. Pa. Jan. 3, 2024).

Although “appointing a receiver is a matter of federal law,” courts may also “look to state law for guidance.” Morgan Stanley Smith Barney LLC v. Johnson, 952 F.3d 978, 983 (8th Cir.

2020) (cleaned up). Accordingly, this Court will also consider South Dakota receiver law for additional guidance.

SDCL § 21-21-1 provides:

A receiver may be appointed by the court in which an action is pending, or by the judge thereof, on the application of the plaintiff or of any party whose right to or interest in the property, funds, or proceeds thereof is probable, and where it is shown that the property or fund is in danger of being lost, removed, or materially injured, in any of the following actions: . . . By a creditor to subject any property or fund to his claim.

SDCL § 21-21-3 similarly states:

A receiver may be appointed by the court in which an action is pending, or by the judge thereof, in the cases where a corporation has been dissolved, or is insolvent, or is in imminent danger of insolvency, or has forfeited its corporate rights; or is unable to exercise its corporate functions because of continued dissension between or neglect by its stockholders, directors and officers.

“Receiverships are intended to protect ‘property, funds, or proceeds . . . where it is shown that the property or fund is in danger of being lost, removed, or materially injured.’” Case v. Murdock, 528 N.W.2d 386, 388 (S.D. 1995) (quoting SDCL § 21-21-1), aff’d on reh., 544 N.W.2d 205 (S.D. 1996); see also SDCL §§ 21-21-5, 47-26-29. It has been longstanding South Dakota precedent that receivers can be appointed when creditors bring actions against insolvent corporations. See, e.g., State ex rel. Gates v. McGee, 88 N.W. 115, 116 (1901) (citing Comp. Laws, § 5015); Glover v. Manila Gold Min. & Mill. Co., 104 N.W. 261, 265 (1905) (holding that a receiver was necessary when “the allegations of the complaint show that insolvency is imminent” and that “the entire loss of the property of the corporation is likely to result from the illegal acts of the directors”); C.C. Wyman & Co. v. Farmers’ Elevator Co., 232 N.W. 259, 262 (1930).

The present situation meets the criteria of an “extreme case.” Compeer has presented evidence of a potential fraud and that “there is ‘imminent danger that property will be concealed,

lost, or diminished in value.” Crabar/GBF, Inc. v. Wright, No. 16-CV-537, 2023 WL 8110737, at \*3 (D. Neb. Nov. 22, 2023) (quoting Morgan Stanley Smith Barney, 952 F.3d at 981).

Looking first to the factors annunciated in Aviation Supply, this Court finds that they are all met here. First, Compeer appears to assert valid claims against Defendants. Collectively, Defendants are tens of millions of dollars over their lines of credit. Second, given the alleged check-kiting scheme, the Canadian case brought against Defendants, and the overdrawn balance Defendants have with Compeer, it appears that fraudulent conduct has probably occurred and that conduct has and can continue to impact Compeer’s ability to recover their outstanding loans. Third, given Defendants’ insolvent position, Compeer’s collateral for the loans—mainly the approximate 110,000 swine—are in imminent danger of diminishing in value. Fourth, considering that Defendants’ outstanding loan obligations to Compeer exceed their estimated assets, this Court determines that Compeer lacks an adequate legal remedy. For this same reason, the appointment of a receiver appears to be the least drastic equitable remedy especially given the intervenors’ interest in some additional 300,000 hogs. In light of the above, this Court also finds the likelihood that appointing the receiver will do more good than harm. Furthermore, Defendants each expressly consented to the appointment of a receiver in the event of a default pursuant to the terms of their security agreement to take possession of all Defendants’ collateral. Doc. 1-2 ¶ 59. Thus, this Court grants Compeer’s motion to appoint a receiver. Doc. 2.

### III. Order

For the above reasons, and the record as it now exists before this Court, it is hereby ORDERED that Compeer’s motion to avoid mediation, Doc. 3, is granted. It is further ORDERED that Compeer’s motion to appoint a receiver, Doc. 2, is granted.<sup>7</sup>

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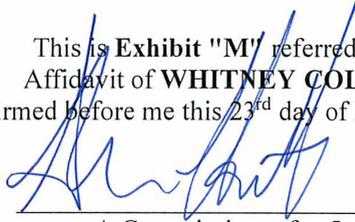
<sup>7</sup> The Court will address the receiver and their powers in a separate order.

DATED this 28th day of March, 2025.

BY THE COURT:

  
\_\_\_\_\_  
ERIC C. SCHULTE  
UNITED STATES DISTRICT JUDGE

This is **Exhibit "M"** referred to in the  
Affidavit of **WHITNEY COLLISTER**  
affirmed before me this 23<sup>rd</sup> day of February 2026.



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A Commissioner for Oaths  
in and for Alberta

**Amara C. Hewitt**  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires November 3, 2028

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UNITED STATES DISTRICT COURT  
DISTRICT OF SOUTH DAKOTA  
SOUTHERN DIVISION

\* \* \* \* \*

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|----------------------------|---|---------------------------|
| COMPEER FINANCIAL, PCA,    | ) | DOCKET NO.                |
|                            | ) | 4:25-CV-04044-ECS         |
| Plaintiff,                 | ) |                           |
|                            | ) |                           |
| -vs-                       | ) | Sioux Falls, South Dakota |
|                            | ) | Courtroom 2               |
| SUNWOLD FARMS, INC;        | ) |                           |
| SUNTERRA FARMS IOWA, INC.; | ) | May 30, 2025              |
| and LARIAGRA FARMS         | ) | 10:59 a.m.                |
| SOUTH, INC.,               | ) |                           |
|                            | ) |                           |
| Defendants,                | ) |                           |
|                            | ) |                           |
| PVC MANAGEMENT II, LLC,    | ) |                           |
| d/b/a) PIPESTONE           | ) |                           |
| MANAGEMENT,                | ) |                           |
|                            | ) |                           |
| Receiver,                  | ) |                           |
|                            | ) |                           |
| THE PORK GROUP, INC.; and  | ) |                           |
| TYSON FRESH MEATS, INC.,   | ) |                           |
|                            | ) |                           |
| Intervenors.               | ) |                           |

\* \* \* \* \*

TRANSCRIPT OF MOTION HEARING  
COURT RULING  
  
BEFORE THE HONORABLE ERIC C. SCHULTE  
UNITED STATES DISTRICT JUDGE

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APPEARANCES:

For the Plaintiff: Gislason & Hunter LLP  
BY: JENNIFER G. LURKEN  
RICK J. HALBUR  
2700 South Broadway  
PO Box 458  
New Ulm, MN 56073-0458  
*(Via videoconference)*

For the Receiver: Cadwell Sanford Deibert &  
Garry, LLP  
BY: JAMES S. SIMKO  
MELISSA JELEN  
200 E. 10th Street, Suite 200  
Sioux Falls, SD 57105

For the Defendants: Halbach Szwarc Law Firm  
BY: ANNA M. LIMOGES  
108 S. Grange Avenue  
Sioux Falls, SD 57104

For the Intervenor  
The Pork Group, Inc.  
and Tyson Fresh  
Meats, Inc.: May, Adam, Gerdes & Thompson LLP  
BY: JUSTIN L. BELL  
PO Box 160  
Pierre, SD 57501-0160  
*(Via videoconference)*

1 (Proceedings in open court at 10:59 a.m.)

2 THE COURT: Good morning, everyone. We are on  
3 the record in the matter of Compeer Financial PCA v. Sunwold  
4 Farms Inc, et al. File 25-cv-04044. This is the time and place  
5 I announced yesterday to issue my ruling on the pending  
6 motion filed by the receiver to approve a private sale.

7 I can tell that counsel for the receiver is present.  
8 Counsel for the defendants is present.

9 Can the counsel representing other parties that are  
10 appearing in this transaction that are on line right now please  
11 note their appearances for the record as well.

12 MS. LURKEN: Your Honor, Jennifer Lurken and  
13 Rick Halbur on behalf of Compeer Financial.

14 THE COURT: And --

15 MR. BELL: Your Honor, Justin Bell on behalf of The  
16 Pork Group is on line, as well as some other counsel, if they  
17 want to note their appearance.

18 THE COURT: That's fine, Mr. Bell. You've noted  
19 your appearance.

20 All the parties are here today that are a part of this  
21 lawsuit. And I will now issue my ruling.

22 By way of background, this case that we are here on  
23 today was removed from state court to federal court. I went  
24 through some of this history yesterday, but I'm going to  
25 expand a bit on it today on the record.

1           During the week of March 24, 2025, a request was  
2 received, after this case was removed, from my chambers to  
3 schedule an emergency hearing. This request was made by  
4 the plaintiff, Compeer. Specifically the request was to issue  
5 an order, ex parte, appointing a receiving in this particular  
6 case; and also, ex parte, to waive a request for a mandatory  
7 mediation under South Dakota law. I denied the request to  
8 issue this ex parte and instead instructed that service be  
9 made on the defendants.

10           Service was then made on the defendants. And later  
11 that week I ordered a status conference so all of the parties  
12 could discuss with me their respective positions and what was  
13 going on with this case.

14           At that status conference it was referenced -- I  
15 should say represented to me by Compeer that 110,000 pigs  
16 were held by Compeer in collateral that were under the care of  
17 the defendants. It was represented that these pigs were in  
18 danger of dying or being otherwise injured because the  
19 defendants had no money to pay for feed or propane to heat  
20 the facilities the pigs were housed in or to pay for veterinarian  
21 expenses. It was represented to me that the Court needed to  
22 move fast to appoint a receiver so that the pigs could be  
23 adequately cared for; and, in addition, it was represented to  
24 the Court that the employees that worked for the defendants  
25 were in danger of not being paid the following week.

1 Compeer has been described in its complaint as a,  
2 quote-unquote, "instrumentality." It is a financial institution  
3 or lender that had lended money to the defendants. It was  
4 represented that there was an \$11 million lending limit that  
5 was established between Compeer and the defendants, and  
6 that due to a, quote-unquote, "check-kiting scheme" this \$11  
7 million limit had been exceeded and that now the defendants  
8 were indebted to Compeer in the amount of approximately \$36  
9 million and the defendants were insolvent. Compeer was not  
10 willing, under these circumstances, to lend additional money.  
11 There were allegations that were represented to the Court,  
12 referenced in paragraph 30 of the complaint, that Mr. Ray  
13 Price from the defendants had made admissions that the,  
14 quote-unquote, "check-kiting scheme" had occurred. That he  
15 said, as alleged, at least, in paragraph 30 of the complaint,  
16 that that was wrong.

17 During a status hearing the defendants' counsel  
18 denied this allegations and requested an evidentiary hearing  
19 to occur later that week so these allegations could be  
20 addressed and that I could hear evidence to challenge these  
21 particular motions. I indicated that an evidentiary hearing  
22 would be appropriate and ordered one to occur.

23 And it did occur later that week, on March 27th of  
24 2025. At that hearing the parties were present. In addition,  
25 by that time there was a motion to intervene that I granted by

1 The Pork Group Inc. and Tyson Fresh Meats, Inc. They were  
2 represented at that hearing by Mr. Bell, who is on --  
3 participating and listening today. It was represented to the  
4 Court that an additional 300,000-plus pigs were owned by  
5 Tyson and were also at risk in this situation, and Tyson also  
6 concurred that the appointment of a receiver was necessary.

7 At the status hearing, again, I ordered an  
8 evidentiary hearing, which took place on March 27th. At that  
9 hearing I heard evidence from Compeer that supported the  
10 allegations I had stated before about the defendants'  
11 insolvency. I did not hear any evidence from the defendants.  
12 Arguments were made from the defendants' counsel, but there  
13 were no witnesses called in response to the evidentiary  
14 hearing that was requested.

15 As the parties know, at the end of that hearing I  
16 granted the motion to appoint the receiver, and I also granted  
17 the motion to avoid mandatory mediation. It was represented  
18 at that hearing that time was of the essence. The Court  
19 needed to act fast. It was a Thursday. That was the day that  
20 we had the evidentiary hearing. The upcoming weather for the  
21 weekend was going to be cold. It was represented to the Court  
22 the employees were due to be paid on the following week,  
23 perhaps Monday, and that the Court needed to act fast,  
24 because time was of the essence. So I issued my oral ruling  
25 on a Thursday.

1           The following day, on Friday, I issued the order  
2 approving the receivership with its various terms and  
3 conditions. I would note that there was negotiation among  
4 counsel for the terms and conditions of the receivership, but  
5 in paragraph 11 of the receivership order, it authorized the  
6 receiver that was appointed to have the power with a court  
7 order to sell property that was held in the estate. And in the  
8 Court's review of this file, that was a term that was not in the  
9 red-line version given to me. It was a term, as the Court  
10 understands it, that was not objected to by the defendants.  
11 But in any event, I included it in the receivership order. And,  
12 again, that authorizes, with court approval, the defendants to  
13 sell property that is held in the estate.

14           I believe it's also important to note that the  
15 defendants stipulated to the use of Pipestone Management  
16 Company as a receiver. That's acknowledged. There's a  
17 reference to that in Document 78 on page 2, which is a brief  
18 filed by the receivers -- or excuse me -- by the defendants.  
19 They were appointed due to their expertise in the swine  
20 industry.

21           That brings us to the motion that is at hand today.  
22 Yesterday the Court heard extensive evidence for a large  
23 portion of the day. I listened to that testimony. I've read all of  
24 the briefs submitted by the parties. I've reviewed the evidence  
25 prior to the hearing yesterday overnight last night, performed

1 independent legal research. And after giving this careful  
2 consideration and my best judgment, I am granting, pursuant  
3 to 28 U.S.C. §§ 2001 and 2004, the receiver's motion to  
4 authorize a private sale as requested at Document 66.

5           Following this hearing, I would direct the receiver's  
6 counsel to email to me a proposed order for my consideration  
7 to sign following this hearing. One was previously proposed  
8 as part of your filings. It has some blanks in it that needs to  
9 be addressed.

10           One issue to be addressed would be the objections  
11 filed by Mr. Heber's clients yesterday. There was six different  
12 objections that were raised. Mr. Heber made it clear that he  
13 did not wish to prevent this hearing from going forward, and it  
14 was taken -- from this Court's perspective, he was not saying  
15 an order couldn't be entered. He wanted his clients' rights  
16 preserved, however. And it was represented to this Court that  
17 there were ongoing negotiations with some of his clients to  
18 resolve issues. So I would like the order to reflect that  
19 Mr. Heber's clients' rights are being protected. And I will  
20 further direct the receiver to give me an update next week as  
21 to how those negotiations are proceeding with respect to  
22 Mr. Heber's clients. Again, it was made clear to me by  
23 Mr. Heber yesterday that his clients are not seeking to impede  
24 this hearing. I think he described it as a placeholder, a  
25 motion that he made. And that's how I would like to proceed

1 with respect to his clients.

2 I want to now address the rationale for granting the  
3 receiver's motion and have that put on the record.

4 As the parties know and as the law provides, the  
5 standard for judicial sales is outlined in 28 U.S.C. §§ 2001  
6 and 2004. I researched various authorities for the standard to  
7 be used by the Court in considering motions under these  
8 statutes. The Court has wide discretion to set the terms and  
9 procedures used to sell personal property so as to maximize  
10 the proceeds from such sales. I would cite *United States v.*  
11 *Stonehill*, 83 F.3d 1156 at 1160, a Ninth Circuit case from  
12 1996, for that proposition. In that case there was a holding  
13 that the district court has discretion under 28 U.S.C. § 2004  
14 to tailor requirements for selling personal property.

15 In determining whether to approve a sale, the court  
16 may take into account the unique facts and circumstances  
17 surrounding the proposed sale, including the precarious  
18 financial condition of the assets being sold. The cite for that  
19 proposition, *Tanzer v. Huffines*, H-U-F-F-I-N-E-S. This is a  
20 Third Circuit decision at 412 F.2d 221 at 222 through 223.  
21 It's a Third Circuit, 1969. In that case the Court was  
22 approving an expedited sale in absence of financial appraisals  
23 and limited notice in light of the corporation's deteriorating  
24 financial condition.

25 It's been at issue in this case whether the Court has

1 the authority to waive certain requirements under § 2001(b).  
2 It was urged by the defendants that I should not do that.  
3 Receiver's counsel has indicated that I have the authority to  
4 do that. And in granting the motion, I believe I do have the  
5 authority to do that. The standard for that is codified at  
6 § 2004, which provides any personalty sold under any order  
7 or decree of any court of the United States shall be -- shall be  
8 sold in accordance with § 2001 of this title unless the Court  
9 orders otherwise. Although § 2001 generally states that  
10 property should be sold at a public sale, upon such terms and  
11 conditions as the Court directs, the Court may order a private  
12 sale after a hearing if it finds that the best interests of the  
13 state -- of the estate will be conserved thereby. I'm citing 28  
14 U.S.C. § 2001(a) through (b) for that proposition.

15 § 2001 provides certain options for the sale of real  
16 property. One, the property may be sold in a public auction  
17 sale; or, two, the property may be sold in a private sale. But  
18 there must be three separate appraisals conducted. The  
19 terms must be published in a circulated newspaper 10 days  
20 prior to sale, and the sale price must be no less than  
21 two-thirds of the value price, citing *CFTC v. Alexandre*, 2022  
22 U.S. District Court decision from LEXIS 244439 at pages 5  
23 through 6. This is from the Southern District of New York in  
24 2022 and citing 28 U.S.C. § 2001.

25 The Court may, however, under 28 U.S.C. § 2004

1 exercise discretion and approve a private sale of property that  
2 does not comply with § 2001. That's citing the same case and  
3 also citing § 2004. Courts have routinely exercised their  
4 discretion in relieving receivers from the judicial sale  
5 requirements of 28 U.S.C. § 2001. That's provided for in the  
6 case of the *FTC v. EM Systems & Services, LLC*, 2016 WL  
7 11110381 at 3, a Florida District Court decision from 2016,  
8 which collects various cases supporting that proposition.

9 So that is the backdrop. I've reviewed the statute  
10 and laws interpreting the statutes, and I find in this particular  
11 situation that the judicial sale contemplated here is in the  
12 best interest of the estate, is commercially reasonable, and I  
13 find that with the discretion afforded to me under 28 U.S.C.  
14 § 2004, that the three appraisals are not necessary, the  
15 10-day publication requirement is waived, and providing the  
16 additional time for 10 percent for a higher offer is waived as  
17 well.

18 What is the Court's analysis for this and why that  
19 should be done?

20 There are a number of reasons. First, addressing  
21 the appraisal. The primary item at issue here -- "item" isn't  
22 the right word. What's at issue here would be the value of the  
23 pigs, primarily. There was testimony received yesterday that  
24 the, quote-unquote, "industry standard" for pigs is \$100 per  
25 pig. This is based on numbers from the USDA that were

1 publicly recorded. Here, however, in the Asset Purchase  
2 Agreement at page 11, the dollar for each pig is described at  
3 \$143.66. This makes the Court believe the sale is  
4 commercially reasonable and appropriate.

5           There was also comment and testimony yesterday  
6 about the value of vehicles. It was described that there were a  
7 number of vehicles that would be sold. They were described  
8 as being vehicles with in excess of 200,000 miles on them, and  
9 I believe the language was they had a, quote-unquote, "a lot of  
10 love" given to them to keep them from working -- or to keep  
11 them working, and that, if anything, there would be salvage  
12 value and something easily decided by looking at a Blue Book.  
13 I believe that's reasonable. I found that testimony to be  
14 persuasive for assessing the value of the vehicles.

15           So I believe under these situations no appraisal is  
16 necessary.

17           With respect to publications, Mr. Simko argued in  
18 his closing argument yesterday -- he used the phrase "We  
19 come close." I wrote that down in my notes. It's clear to me  
20 that due diligence has been done by the receiver here to notify  
21 interested parties. I'm taking judicial notice, which I said  
22 yesterday, of Document 72, a Certificate of Service dated May  
23 15 of 2025, sent out by Priority Mail, notifying numerous  
24 entities. In addition, I'm taking notice of Document 80, which  
25 was referenced yesterday, the Certificate of Service, which

1 documents publication dates in multiple newspapers.

2 I believe, in my judgment, that due diligence has  
3 been demonstrated by the receiver in providing proper notice.  
4 I'm not going to require, however, strict compliance with the  
5 statute under the discretion afforded to me by § 2004. Part of  
6 my thinking for waiving these requirements is that time is  
7 indeed of the essence here. I believe that to be true, and that  
8 is what I am finding in this reasoning. Why is that? The  
9 buyer in this particular situation, TPG, which has made the  
10 offer -- I need to give consideration to that. And in the Asset  
11 Purchase Agreement, Article 9 on page 24, it requires court  
12 approval of the proposed sale by June 1 of 2025. Today is  
13 Friday. June 1 is Sunday. The time is of the essence here,  
14 because if it would not be ordered, as Mr. Simko argued  
15 yesterday, there would be a chance that there could be a  
16 walk-away under the agreement. And I am cognizant of that.

17 My thinking along this line, I believe, is supported  
18 by the *Tanzer* case that I cited earlier from the Third Circuit.  
19 In that particular case at page 223, the Court noted "We think  
20 the district court was justified in expediting the hearing in this  
21 case, primarily because of the financial condition of the  
22 corporation and the deadline fixed by the offerer." In that  
23 particular case, the Third Circuit took that into account, the  
24 financial position of the defendant and the deadline imposed,  
25 and I'm taking that into account here. So I do believe time is

1 of the essence.

2 In addition to that, there was testimony yesterday  
3 about the pig supply increasing. There was extensive  
4 testimony about NAE pigs, no-antibiotics-ever pigs, being a  
5 pig that is not commonly available. There was testimony  
6 about an inability to backfill 5,000 pigs per week, which  
7 translated up to a \$100,000 loss. That's the current situation.  
8 I found that testimony to be persuasive.

9 In addition, there was a concern about barns being  
10 available for pigs to have spots in. Without a barn to place  
11 pigs in, the operation is in jeopardy. And I find it persuasive  
12 that, for continuity of the operation and stability, the Court  
13 needs to act now and enter this order.

14 There was also statements in the affidavit of  
15 Ms. Walkes and in the testimony yesterday about labor  
16 concerns, concerns of employees quitting unless there was  
17 stability afforded by the Court in entering this order. I found  
18 that to be persuasive. It's part of my thinking as well.

19 There was also testimony about the uncertainty of  
20 packer contracts going forward for NAE pigs. I found that to  
21 be persuasive.

22 And then, finally, there was extensive discussion  
23 about disease risk to pigs. Exhibit 5 offered yesterday  
24 demonstrates the PRRS disease, P-R-R-S, and there was  
25 testimony about the economic sensitivity of the pig market.

1 The pig market can be volatile. Pig health is something it was  
2 urged for the Court to be cognizant of. And I am -- and I  
3 found that to be persuasive. So I believe time is of the  
4 essence.

5 I also believe that the sale at issue is commercially  
6 reasonable and appropriate. Why is that? I think it's  
7 important to note that the receiver did not exclusively talk to  
8 Tyson about this particular transaction. There was testimony  
9 yesterday about the receiver visiting with 18 other potentially  
10 interested parties. It's a significant number. Ms. Walkes also  
11 testified about this being a small universe of potential buyers.  
12 I found that testimony to be interesting, but at the end of the  
13 day, there were 18 other potentially interested parties. No  
14 other offer came, under the testimony that I heard, that was  
15 close to the offer made by Tyson in this matter. That  
16 demonstrates to me that the receiver performed due diligence.

17 There was also a reference to Tyson having the,  
18 quote-unquote, "bandwidth" to take this on -- that was the  
19 term that was used -- to operate this organization. And I  
20 found that to be persuasive.

21 I also found it notable that this was actually a  
22 negotiation. It was explained during testimony yesterday that  
23 at the beginning of negotiations Tyson wanted \$11 million to  
24 be the price for purchase; Compeer wanted \$17 million. The  
25 receiver was involved in negotiations, and the \$15 million

1 amount was arrived at. This demonstrates to me good-faith  
2 and a diligent effort by the receiver. And I believe the  
3 testimony was this was \$1.1 million off of the perfect scenario.  
4 It's close to that. I find that due diligence was used, and this  
5 is a commercially reasonable transaction.

6 There was also testimony about a value methodology  
7 that Ms. Walkes used as well. I do not believe it's random. I  
8 believe that this sale is in the best interests of the estate. And  
9 I remember Ms. Walkes' testimony that she believes it in her  
10 bones that this is to be true. I think objectively looking at the  
11 facts, this is something that is commercially reasonable and in  
12 the best interests of the estate.

13 I also find that the receiver's representative,  
14 Ms. Walkes, was a credible witness who has the best interest  
15 of the estate in mind in making this recommendation through  
16 the motion. It appeared to me, in reviewing this, that she has  
17 worked hard to maximize the estate value but also to stabilize  
18 a business that was in peril when I was requested to conduct  
19 an emergency hearing back in March. I found her to be a  
20 credible witness.

21 Because the role of the receiver was talked about  
22 frequently in briefing and in argument yesterday, I believe it's  
23 important to make a note of that receiver's role under the law  
24 as well too. The receiver is an officer and representative of the  
25 Court, as provided for in the U.S. Supreme Court's ruling of

1       *Alexander v. Hillman*, 296 U.S. 222 at 237 through 38, 1935.  
2       And the Court defers to reasonable judgments thereof. That's  
3       provided for in *Wells Fargo Bank v. Beacon Hospital*  
4       *Corporation*, 2013 WL 12324286 at page 2, a District of  
5       Massachusetts decision from December 16, 2013. All the  
6       receiver is required to established is that there are sound  
7       business reasons for selling assets and for accepting the offer  
8       he or she selected. Once he or she makes such a showing, the  
9       receiver's determination that accepting the offer is in the best  
10      interest of the parties is owed deference under the business  
11      judgment rule, citing *Lawsky v. Condor Capital Corporation*,  
12      154 F.Supp.3d 9 at page 22, Southern District of New York,  
13      2015.

14                 That said, the deference owed is not unfettered. I  
15      acknowledge that. For the Courts to approve a sale, the  
16      receiver needs to justify it. A receiver has the burden of  
17      establishing there are sound business reasons for approving  
18      the proposed sale. Once the receiver has done so, the  
19      business judgment rule mandates that her decision be given  
20      proper deference. I would cite *Equity Security Holders v.*  
21      *Lionell Corporation*, 722 F.2d at 1063, a Tenth Circuit case, at  
22      1983. That proposition is also referenced in the *Lawsky* case  
23      that I referenced earlier from the Southern District of New  
24      York.

25                 In exercising business judgment, receivers may

1 properly consider factors aside from the total dollar amount  
2 offered, and the courts approve sales as long as the receiver  
3 used reasonable business judgment in weighing different  
4 courses of action. The receiver's determination that the  
5 purchase agreement constitutes the highest and best offer for  
6 the property constitutes a valid and sound exercises of the  
7 receiver's business judgment, as provided for in *Bank of*  
8 *America v. Rashid Holdings*, 2018 WL 6604264 at page 2 from  
9 the Eastern District of Michigan on December 17, 2018.

10 I believe that applying the business judgment rule  
11 here, this is the appropriate path forward. That it's in the best  
12 interest of the estate. It is the right thing to do.

13 What are the objections? I carefully considered the  
14 arguments made by the defendants in their brief and made in  
15 closing argument yesterday.

16 One, there was a reference that the defendants were  
17 kept in the dark. They did not know that this was happening.  
18 I would note that the only evidence in the record on this was  
19 Ms. Walkes's testimony yesterday where she indicated that  
20 she advised Mr. Ray Price about the letter of intent in this  
21 matter in a phone conversation in April. His response, as I  
22 took it from the testimony, was positive, with Ms. Walkes  
23 stating he wanted his, quote, "teams and barns," quote, to be  
24 taken care of. He wanted the teams kept intact and the barns  
25 taken care of. There's been no evidence provided to the

1 contrary that that was Mr. Price's sentiment. I find  
2 Ms. Walkes to be credible.

3 This deal, at the end of the day, is the best path  
4 forward for keeping the team, the employees, intact. I've given  
5 my analysis on that earlier. And it's done to provide stability  
6 to the barns and to keep additional barns from bleeding off or  
7 not being part of this, which was part of the argument that  
8 was made to me by the receiver.

9 I would also further note that it was contemplated at  
10 the very beginning, when the receivership was entered, that  
11 assets could be sold with court approval.

12 So I think it's notable that the evidence in the record  
13 indicates that Mr. Price was advised in April.

14 There's also been strong argument made on conflict  
15 of interest. Is there conflict of interest with the receiver? This  
16 argument was met head on through the testimony yesterday  
17 by Ms. Walkes. This is not a situation where the receiver, it's  
18 been represented to the Court -- where the receiver would stay  
19 on forever after a sale would be done. It's for a period of  
20 transition. Ms. Walkes testified about 30 days yesterday. The  
21 reason given for that I found to be compelling. The employees  
22 of the defendants have what is known as a TN visa, and if the  
23 receiver terminates right away, there is the risk that these  
24 employees could lose that visa overnight. And there is a  
25 concern, in that situation, about the legal status of these

1 workers to continue employment. I find that to be a  
2 compelling reason, and I don't find a conflict of interest there.  
3 In fact, I find it to be something that is appropriate and  
4 reasonable for the best interests of the company. This is  
5 something that would be done to keep the teams and the  
6 barns intact. It also provides stability to the operation.

7           There was testimony yesterday from Ms. Walkes that  
8 she didn't set out to do this or pick her opportunity or  
9 advocate to do this, words to the effect of she wanted to do  
10 this position to do the right thing. I found that testimony to  
11 be persuasive; that her motivations are not to enrich herself or  
12 her company, but to do the right thing.

13           She also testified that if the order is not approved,  
14 there is the risk of straight liquidation in the future. We  
15 should try to avoid that.

16           Finally, what are the other alternatives? There was  
17 cross-examination about that yesterday. I would first state  
18 that there was no evidence given by the defendants of other  
19 alternatives. That was not presented at all. There was no  
20 counter-valuation given in evidence by the defendants. But  
21 there was an idea that was floated through cross-examination  
22 of having the defendants go back to being in charge of the  
23 entity, and there would be a payoff within eight years. "If we  
24 would be funded, there would be a payoff within eight years."  
25 And it was suggested that that option should be pursued.

1 I'm concerned about that option for a couple of  
2 reasons.

3 Number one, I find that it's speculative as to  
4 whether that could ever happen or to be paid off.

5 Number two, there was no concrete evidence for the  
6 Court to consider regarding that operation -- or that proposal,  
7 I should say.

8 Number three, Compeer's counsel made it clear in  
9 closing argument yesterday that they would not intend to fund  
10 that. Indeed, that's why we're here with this lawsuit in the  
11 first place. And that led to my question of defense counsel  
12 during closing argument yesterday about who would pay for  
13 this and do I have to order Compeer to pay for it? I was  
14 reluctant to do that, and that argument was made back in  
15 March when the argument was made to me that, "Judge, you  
16 should order Compeer to pay us additional money." And I did  
17 not find that persuasive at that time; and at this time, at this  
18 juncture, it doesn't seem to me that that would be appropriate  
19 to enter into some type of eight-year plan funded by Compeer.

20 And, again, I would close and say that the only  
21 witness that I heard from, the only evidence, was Ms. Walkes  
22 yesterday. And she said that if this deal is not done,  
23 liquidation is the probable next alternative going forward in  
24 the future.

25 So I believe this is what the best thing to do is under

1 the facts and circumstances presented for me here. Applying  
2 the business judgment rule, I believe it's the best path  
3 forward. I do not do this lightly. I've given this considerable  
4 thought, reviewed everything the parties have submitted. I  
5 appreciate the good work of all the parties in this matter. But  
6 this is my ruling. And I would request that the receiver's  
7 counsel send me a proposed order after this hearing today for  
8 me to consider.

9 Anything further from the receiver's counsel at this  
10 time?

11 MR. SIMKO: No, Your Honor.

12 THE COURT: Ms. Limoges, anything further?

13 MS. LIMOGES: No, Judge. Thank you.

14 THE COURT: Anything further from the parties that  
15 are online?

16 MR. HALBUR: No, Your Honor.

17 MR. BELL: This is Justin Bell. No, Your Honor.

18 THE COURT: In light of that, we will be in recess on  
19 this matter, and the Court will enter its order in the near  
20 future.

21 (Proceedings concluded at 11:38 a.m.)  
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UNITED STATES DISTRICT COURT)  
DISTRICT OF SOUTH DAKOTA : SS CERTIFICATE OF REPORTER  
SOUTHERN DIVISION )

I, Carla Dedula, Official United States District Court Reporter, Registered Professional Reporter, Certified Realtime Reporter, and Notary Public, hereby certify that the above and foregoing transcript is the true, full, and complete transcript of the above-entitled case, consisting of pages 1 - 22.

I further certify that I am not a relative or employee or attorney or counsel of any of the parties hereto, nor a relative or employee of such attorney or counsel, nor do I have any interest in the outcome or events of the action.

IN TESTIMONY WHEREOF, I have hereto set my hand this 19th day of September, 2025.



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CARLA DEDULA RPR, CRR, CRC  
400 S. Phillips Avenue  
Sioux Falls, SD 57104  
Phone: (605) 330-6669  
Email: carla\_dedula@sdd.uscourts.gov  
My Commission Expires: May 24, 2026

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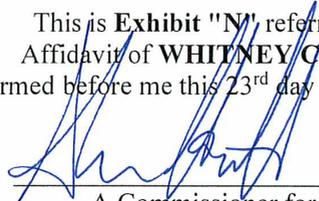
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This is **Exhibit "N"** referred to in the  
Affidavit of **WHITNEY COLLISTER**  
affirmed before me this 23<sup>rd</sup> day of February 2026.



---

A Commissioner for Oaths  
in and for Alberta

**Amara C. Hewitt**  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires November 3, 2026

## Whitney Collister

---

**From:** Keely Cameron  
**Sent:** Friday, February 13, 2026 2:16 PM  
**To:** Scott Chimuk; David Mann  
**Cc:** Gunnar Benediktsson (he/him); Lincoln Caylor; Olver, Dustin  
**Subject:** Compeer v. Sunterra Farms Ltd. et al  
**Attachments:** Bill of Costs (Solicitor and Client) of Compeer Financial, PCA.pdf; Draft Form of Order (Dec 4 and 5\_ 2025).docx

Scott and Dave,

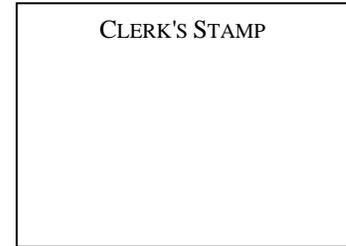
Please find attached for your review our proposed form of order and Bill of Costs. Please advise of any amendments, questions or concerns next week. We want to have these matters resolved in advance of the upcoming application. I have copied the Monitor on this email and would request that Compeer's costs be considered when preparing the cash flow statements.

**Keely Cameron**

*Partner*, Bennett Jones LLP  
4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7  
T. 403 298 3324 | F. 403 265 7219  
[BennettJones.com](http://BennettJones.com)



**FORM 44**  
[RULE 10.35(1)]



COURT FILE NUMBER           2501-19283

COURT                            COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE           EDMONTON

PLAINTIFF                    COMPEER FINANCIAL, PCA

DEFENDANTS                 SUNTERRA FARMS LTD., SUNWOLD FARMS  
                                  LIMITED, SUNTERRA ENTERPRISES INC., RAY  
                                  PRICE, DEBBIE UFFELMAN, CRAIG THOMPSON,  
                                  DAVID PRICE, ARTHUR PRICE and GLEN PRICE

DOCUMENT                    **BILL OF COSTS – SOLICITOR CLIENT**

ADDRESS FOR SERVICE       **BENNETT JONES LLP**  
AND                            Barristers and Solicitors  
CONTACT    INFORMATION   4500, 855 – 2nd Street S.W.  
OF                              Calgary, Alberta T2P 4K7  
PARTY FILING THIS         Attention:  
DOCUMENT                    Lincoln Caylor,  
                                  Nathan J. Shaheen,  
                                  Keely Cameron and  
                                  Mathieu J. LaFleche  
                                  Telephone No.: 403-298-3100  
                                  Fax No.: 403-265-7219

BILL OF COSTS OF COMPEER FINANCIAL, PCA

**Fees claimed:**

| <b>ITEM</b>  | <b>AMOUNT</b>         |
|--|-----------------------|
| Claimed legal fees with respect to CCAA proceedings and the prosecution of action no. 2501-19283 | \$1,607,911.05        |
| <b>Total Fees:</b>   | <b>\$1,607,911.05</b> |

**Taxable Disbursements (subject to GST):**

| <b>Description</b>   | <b>AMOUNT</b>      |
|--|--------------------|
| Taxable disbursements incurred with respect to CCAA proceedings and the prosecution of action no. 2501-19283 | \$19,086.91        |
| <b>Total Disbursements:</b>  | <b>\$19,086.91</b> |

**Non-Taxable Disbursements (not subject to GST):**

| <b>Description</b>   | <b>AMOUNT</b>   |
|--|-----------------|
| Non-taxable disbursements incurred with respect to CCAA proceedings and the prosecution of action no. 2501-19283 | \$778.00        |
| <b>Total Disbursements:</b>  | <b>\$778.00</b> |

**Other Charges:**

| <b>ITEM</b>  | <b>AMOUNT</b>     |
|--|-------------------|
| Other charges incurred with respect to CCAA Proceedings and the prosecution of action no. 2501-19283 | \$7,760.25        |
| <b>Total Other Charges:</b>  | <b>\$7,760.25</b> |

**GST:**

|                                     |                            |
|-------------------------------------|----------------------------|
| (a) Amount claimed on fees          | \$ <u>80,395.55</u>        |
| (b) Amount claimed on disbursements | \$ <u>954.35</u>           |
| (c) Amount claimed on other charges | \$ <u>388.01</u>           |
| <b>TOTAL GST</b>                    | <b>\$ <u>81,737.91</u></b> |

By making the above claim for an additional amount on account of goods and services tax, the party entitled to the costs award warrants that it is not entitled under the Excise Tax Act (Canada) to a refund or rebate of any goods and services tax paid.

**Total amount claimed:**

|                            |           |                            |
|----------------------------|-----------|----------------------------|
| Fees:                      | \$        | <u>1,607,911.05</u>        |
| Taxable Disbursements:     | \$        | <u>19,086.91</u>           |
| Non-Taxable Disbursements: | \$        | <u>778.00</u>              |
| Other Charges              | \$        | <u>7,760.25</u>            |
| GST:                       | \$        | <u>81,737.91</u>           |
| <b>TOTAL:</b>              | <b>\$</b> | <b><u>1,717,274.12</u></b> |

**Person responsible for preparation of this Bill of Costs:**

\_\_\_\_\_  
Mathieu LaFleche

**AMOUNT ALLOWED BY ASSESSMENT OFFICER:**

|                            |           |              |
|----------------------------|-----------|--------------|
| Fees:                      | \$        | _____        |
| Taxable Disbursements:     | \$        | _____        |
| Non-Taxable Disbursements: | \$        | _____        |
| Other Charges              | \$        | _____        |
| GST:                       | \$        | _____        |
| <b>TOTAL:</b>              | <b>\$</b> | <b>_____</b> |

**CERTIFICATE OF ASSESSMENT OFFICER:**

I, \_\_\_\_\_, certify the following amount(s) that is (are) to be paid

By Plaintiff:     \$ \_\_\_\_\_

By Defendant:    \$ \_\_\_\_\_

to the Plaintiff, COMPEER FINANCIAL, PCA.

I also certify the following special circumstance(s) and the amount to be paid by each party with respect to the special circumstance(s):

| SPECIAL CIRCUMSTANCE | AMOUNT TO BE PAID RE SPECIAL CIRCUMSTANCE |
|----------------------|---|
|                      |   |

Dated: \_\_\_\_\_

Name and signature of Assessment Officer: \_\_\_\_\_

Clerk's Stamp:

COURT FILE NUMBER  
COURT  
JUDICIAL CENTRE OF  
PLAINTIFF

2501 – 19283  
COURT OF KING'S BENCH OF ALBERTA  
CALGARY  
COMPEER FINANCIAL, PCA

DEFENDANTS

SUNTERRA FARMS LTD., SUNWOLD FARMS LIMITED, SUNTERRA ENTERPRISES INC., RAY PRICE, DEBBIE UFFELMAN, CRAIG THOMPSON, DAVID PRICE, ARTHUR PRICE and GLEN PRICE

COURT FILE NUMBER  
COURT  
JUDICIAL CENTRE

2501-06120  
COURT OF KING'S BENCH OF ALBERTA  
CALGARY  
IN THE MATTER OF THE *COMPANIES'*  
*CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c  
C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF  
COMPROMISE OR ARRANGEMENT OF  
SUNTERRA FOOD CORPORATION, TROCHU  
MEAT PROCESSORS LTD., SUNTERRA  
QUALITY FOOD MARKETS INC., SUNTERRA  
FARMS LTD., SUNWOLD FARMS LIMITED,  
SUNTERRA BEEF LTD., LARIAGRA FARMS  
LTD., SUNTERRA FARM ENTERPRISES LTD.,  
SUNTERRA ENTERPRISES INC.

DOCUMENT

**ORDER FOR SUMMARY JUDGMENT AND  
DECLARATORY RELIEF**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENT:

**BENNETT JONES LLP**  
Barristers and Solicitors  
4500, 855 – 2nd Street S.W.  
Calgary, Alberta T2P 4K7

Attention: Lincoln Caylor/Nathan J. Shaheen  
Keely Cameron/Mathieu LaFleche

Telephone No.: 403-298-3100  
Fax No.: 403-265-7219  
Client File No.: 99329.1

DATE ON WHICH ORDER WAS PRONOUNCED: January 27, 2026

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Justice M. J. Lema

LOCATION OF HEARING: Calgary Courts Centre

**UPON** the application of Compeer Financial, PCA ("**Compeer**"); **AND UPON** hearing counsel for the Defendants, and any other interested parties appearing at the application; **IT IS HEREBY ORDERED, ADJUDGED AND DECLARED THAT:**

1. Compeer is granted judgment against Sunterra Farms Ltd., Sunwold Farms Limited and Ray Price in the amount of Canadian dollars sufficient to purchase the sum of USD \$35,330,968.94 at a bank in Alberta listed in Schedule I of the *Bank Act* at the close of business on February 28, 2025, plus pre-judgment and post-judgment interest in accordance with the *Judgment Interest Act*, RSA 2000, c J-1 (the "**Fraud Judgment**")
2. Compeer is granted judgment against Sunterra Enterprises, Inc. in the amount of Canadian dollars sufficient to purchase the sum of USD \$29,132,187.91 at a bank in Alberta listed in Schedule I of the *Bank Act* at the close of business on February 28, 2025, plus post-judgment interest in accordance with the applicable contractual rate of interest, being 11% per annum.
3. The Fraud Judgment as against Sunterra Farms Ltd. and Sunwold Farms Limited, is a debt or liability resulting from obtaining property or services by false pretenses or fraudulent misrepresentations made by Sunterra Farms Ltd. and Sunwold Farms Limited, and is therefore exempt from any compromise or arrangement pursuant to Section 19(2) of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c C-36, as amended ("**CCAA**") unless Compeer votes for the acceptance of any such compromise or arrangement.
4. The Fraud Judgment as against Ray Price is a debt or liability resulting from fraudulent misrepresentations made by Ray Price, and is therefore exempt from being compromised or released in connection with any compromise or arrangement pursuant to Section 5.1(2)(b) of the *CCAA*.
5. Compeer and Ray Price may make further submissions on whether a declaration should be granted in respect of the "wrongful and oppressive conduct of directors" branch of Section 5.1(2)(b) of the *CCAA*, in which case the Honourable Justice M.J. Lema will be seized.

6. Compeer is granted leave to submit an affidavit should it seek to provide an update of its judgment calculations and, if Compeer submits such affidavit, Sunterra Farms Ltd., Sunwold Farms Limited, Ray Price and Sunterra Enterprises, Inc. may, within one week of Compeer's submission of any affidavit, provide their position on those calculations.
7. The balance of Compeer's application is dismissed.
8. Compeer is awarded costs on a solicitor-client basis.

---

Justice of the Court of King's Bench of Alberta