

FORM 27
[RULE 6.3]

CLERK'S STAMP

COURT FILE NO. 2503 – 10988

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

COURT FILE NO. 2501 – 06120

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE OF 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

NOTICE OF APPLICATION OF COMPEER FINANCIAL, PCA

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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

Attention:
Lincoln Caylor
Nathan J. Shaheen
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Telephone No.: 403-298-3100
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NOTICE TO RESPONDENTS: SUNTERRA FARMS LTD., SUNWOLD FARMS LIMITED, SUNTERRA ENTERPRISES INC., RAY PRICE, DEBBIE UFFELMAN, CRAIG THOMPSON, DAVID PRICE, ARTHUR PRICE AND GLEN PRICE

This application is made against you. You are a respondent.

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

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

Date: December 4 - 5, 2025
Time: 10:00 AM
Where: Edmonton Court's Centre via Webex:
(<https://albertacourts.webex.com/meet/virtual.courtroom86>)
Before Whom: Justice Lema of the Court of King's Bench of Alberta

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

Remedy claimed or sought:

1. Further to the Consent Order granted by the Honourable Justice Lema on September 11, 2025 (the "**Consent Order**") in Court of King's Bench of Alberta Action No. 2501-06120 (the "**CCAA Action**"), the Plaintiff/Applicant, Compeer Financial, PCA ("**Compeer**"), seeks an Order substantially in the form attached as Schedule "A":
 - (a) Granting summary judgment as against Sunterra Farms Ltd., Sunwold Farms Limited, Ray Price, Debbie Uffelman and Craig Thompson in the amount of \$36,500,103.19 USD, plus contractual interest of 11% and expenses, or such further and other amount as may be assessed.

- (b) Granting summary judgment as against Sunterra Enterprises Inc. in the amount of \$25,729,079.67 USD, plus contractual interest in the amount of 11% and expenses, or such further and other amount as may be assessed.
- (c) A declaration that the claims of Compeer, set out in the Amended Statement of Claim as against Sunterra Farms Ltd. and Sunwold Farms Limited, are debts or liabilities resulting from obtaining property or services by false pretenses or fraudulent misrepresentations and so are exempt from any compromise or arrangement pursuant to Section 19(2) of the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**").
- (d) A declaration that the claims of Compeer, set out in the Amended Statement of Claim as against Ray Price, Debbie Uffelman and Craig Thompson ("**Individual Defendants**"), are claims arising from misrepresentations made by the Individual Defendants or the wrongful or oppressive conduct of the Individual Defendants and so are exempt from being released in connection with any compromise or arrangement pursuant to Section 5.1(2)(b) of the CCAA.
- (e) If necessary, a declaration confirming that any Claims (as defined in the Claims Procedure Order) that Compeer may have as against certain directors of Sunterra Farms Ltd., Sunwold Farms Limited, and Sunterra Enterprises Inc., namely, David Price, Arthur Price and Glen Price, and any outstanding claims that Compeer may have as against Ray Price, remain subject to further order unaffected by the CCAA Action.
- (f) Costs of this Application as against the Respondents.
- (g) Such further and other relief as may be required.

Grounds for making this application:

2. In the CCAA Action, various Canadian members of the Sunterra Group of companies (the "**Sunterra Group**") have sought protection under the *CCAA*.

3. The Applicant, Compeer, is a farm credit cooperative that provided loans and other financial services to several members of the Sunterra Group which are based in the United States and are not subject to these *CCAA* proceedings, specifically, Sunterra Farms Iowa, Inc. and Sunwold Farms, Inc. (the "**U.S. Sunterra Entities**").
4. The U.S. Sunterra Entities are wholly-owned subsidiaries of Sunterra Enterprises Inc., one of the Corporate Lift Stay Defendants. The U.S. Sunterra Entities are currently in receivership in the United States.
5. In this Application Compeer is seeking summary judgment against Sunterra Farms Ltd., Sunwold Farms Limited, Sunterra Enterprises Inc. and the Individual Defendants arising from a cheque-kiting fraud committed against Compeer. The cheque-kiting fraud was carried out by and under the direction of the Individual Defendants. It involved cycling funds between the accounts that Sunterra Farms Ltd. and Sunwold Farms Limited (the "**Canadian Sunterra Entities**") held with the National Bank of Canada (formerly Canadian Western Bank) and the accounts that the U.S. Sunterra Entities held with Compeer. As a direct result of the cheque-kiting fraud, Compeer suffered at least \$36,500,103.19 USD in losses.
6. Compeer's claims against the Canadian Sunterra Entities are claims that cannot be compromised pursuant to Section 19(2) of the *CCAA*:
 - (a) By issuing cheques to Compeer, Canadian Sunterra Entities were representing that they had funds in their account to satisfy those cheques. Compeer relied on the strength of those representations to extend conditional credit to the U.S. Sunterra Entities for the value of cheques before those cheques had cleared.
 - (b) Those representations were false, as Canadian Sunterra Entities did not have sufficient funds to honour the cheques that had been issued, except by virtue of conditional credit that was extended to them by National Bank of Canada, based on cheques drawn on the accounts of the U.S. Sunterra Entities and using conditional credit extended by Compeer. This came to light once the cheque-kiting fraud unraveled in February of 2025 and approximately \$59,000,000 USD in cheques from the Canadian Sunterra Entities

(which had been credited by Compeer to the accounts of the U.S. Sunterra Entities) were dishonoured for lack of funds.

(c) The representations were known to be false as the Canadian Sunterra Entities deliberately pursued the cheque-kiting fraud for an extended period of time and acknowledged that the conduct was improper when confronted by Compeer.

(d) The false representations were made to obtain a property or service, specifically, the conditional credit extended by Compeer to the U.S. Sunterra Entities, which, ultimately, was for the benefit of the Canadian Sunterra Entities as the resulting funds available to the U.S. Sunterra Entities were transferred back to the Canadian Sunterra Entities.

7. Compeer's claims against the Individual Defendants are claims that cannot be released in the course of a compromise or plan of arrangement pursuant to Section 5.1(2)(b) of the *CCAA* as:

(a) Ray Price was, at all material times, the CEO/President of the Canadian Sunterra Entities and the U.S. Sunterra Entities. Ray Price repeatedly and deliberately misled Compeer as to the reason why cheques were being issued so as to conceal the existence of the cheque kiting fraud. As a result of Compeer's reliance on these misrepresentations, Compeer continued to accept cheques from the Canadian Sunterra Entities and conditionally credit the accounts of the U.S. Sunterra Entities with funds that were then transferred back to the Canadian Sunterra Entities.

(b) Debbie Uffelman was, at all material times, the CFO and/or Vice President, Corporate Finance of the Canadian Sunterra Entities and the U.S. Sunterra Entities. Debbie Uffelman was aware of the true financial position of the Canadian Sunterra Entities and signed and/or caused to be issued the cheques associated with the cheque kiting fraud. As a result of Compeer's reliance on the cheques issued by the Canadian Sunterra Entities, Compeer continued to conditionally credit the accounts of the U.S. Sunterra Entities with funds that were then transferred back to the Canadian Sunterra Entities.

(c) Craig Thompson was, at all material times, employed by Sunterra Farms Ltd. 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. He was aware of the true financial position of the Canadian Sunterra Entities and signed and/or caused issued the cheques associated with the cheque-kiting fraud. As a result of Compeer's reliance on the cheques issued by the Canadian Sunterra Entities, Compeer continued to conditionally credit the accounts of the U.S. Sunterra Entities with funds that were then transferred back to the Canadian Sunterra Entities.

(d) In undertaking the foregoing conduct, Ray Price, Debbie Uffelman and Craig Thompson deliberately and knowingly worked together in a coordinated fashion to undertake, and to cause the Canadian Sunterra Entities to undertake, the cheque-kiting scheme to the detriment of Compeer. At all material times, their coordinated conduct was deliberate, knowing, sustained and amount to a civil conspiracy to act in a manner detrimental and oppressive to Compeer.

Summary Judgment Is Appropriate

8. Compeer's claims against the Canadian Sunterra Entities, Sunterra Enterprise Inc. and Individual Defendants – can be fairly resolved on a summary basis. Summary judgment is an proportionate procedure that would ensure that the procedural rights of the parties, which would otherwise be lacking in a claims process, are preserved to ensure a fair outcome.
9. The Canadian Sunterra Entities and Individual Defendants have carried out a cheque-kiting fraud. The occurrence and quantification of that fraud can be established based largely on the documentary records associated with the Canadian Sunterra Entities' accounts. Compeer has also provided detailed affidavit evidence establishing all of the elements of its claim in fraud:
 - (a) The Canadian Sunterra Entities, under the direction of the Individual Defendants, made false representations to Compeer, including the issuance of millions of dollars of

cheques to Compeer, without having funds available to pay the cheques that had been issued.

- (b) The Canadian Sunterra Entities and Individual Entities acted in concert with a common design in pursuing the scheme with the intention of inducing Compeer to extend conditional credit to the U.S. Sunterra Entities so that the resulting funds could be cycled back to the Canadian Sunterra Entities, which in fact occurred.
 - (c) The Individual Defendants knew that they were making false or misleading representations. Ray Price – the President of the Canadian Sunterra Entities – admitted to wrongdoing when confronted by Compeer after the fraud was uncovered. The affidavit evidence delivered by the Individual Defendants in response contains admissions by the Individual Defendants, also made binding on the Canadian Sunterra Entities, of their coordinated conduct that amounts to the perpetration of the cheque-kiting scheme. The evidence tendered by Compeer demonstrates the ongoing deception and misrepresentation made by the Respondents to conceal their fraudulent activity.
 - (d) The cheques were issued to Compeer as part of an ongoing cheque-kiting fraud for the purposes of having Compeer extend conditional credit to the U.S. Sunterra Entities so that the resulting funds could be cycled back to the Canadian Sunterra Entities, which in fact occurred.
 - (e) Compeer has suffered losses as a result of the fraudulent and oppressive conduct of the Canadian Sunterra Entities and Individual Defendants, namely through their coordinated and sustained perpetration of the cheque-kiting scheme.
- 10. Following discovery of the cheque-kiting scheme, Compeer issued notices of default and demands for accelerated payment to the U.S. Sunterra Entities and Lariagra Farms South, Inc. ("**Lariagra U.S.**"). No payments to Compeer were made in response.
 - 11. Sunterra Enterprises Inc. provided guarantees to induce Compeer to continue or extend the provision of credit through "future loans and advances" to the U.S. Entities and Lariagra Farms South, Inc. Compeer demanded repayment under the guarantees and Sunterra Enterprises Inc. refused, failed or neglected to repay the indebtedness.

12. There is no uncertainty in the facts, the record, or the law that creates a genuine issue requiring a trial. None of the Individual Defendants nor the Canadian Sunterra Entities have any meritorious defence to the Action. To the contrary, they have admitted to the conduct amounting to the perpetration of the cheque-kiting scheme.

Declaration in Respect of the Directors

13. The Claims Procedure Order granted in the CCAA Action provides that Compeer's Claims will be assessed and adjudicated in accordance with the Consent Order. The Consent Order expressly permits Compeer to add parties to its Claims through its application.
14. Compeer's Claims (other than the claims advanced in this application) against the directors of the Canadian Sunterra Entities and Sunterra Enterprises Inc., namely, Ray Price, David Price, Arthur Price and Glen Price as currently known, are set out in Compeer's Amended Statement of Claim and are derivative in that they allege that the directors permitted the perpetration of the cheque kiting scheme to Compeer's detriment.
15. As those claims are contingent on the Court's findings in this application, and only if necessary, Compeer seeks a declaration that if the Court finds a cheque kiting scheme or other wrongdoing by any of the Individual Defendants, Canadian Sunterra Entities or Sunterra Enterprises, that Compeer's ability to advance its Claims against the Directors is preserved.
16. This declaratory relief sought by Compeer is consistent with section 5.1 of the *CCAA*, which prevents the compromise of claims that are based on allegations of misrepresentations made by directors to creditors, or claims of wrongful or oppressive conduct by directors.
17. Such further and other grounds as counsel may advise and as this Honourable Court may permit.

Material or evidence to be relied on:

18. The pleadings filed in Court of King's Bench Action 2503 10998.
19. The Affidavit of Nicholas Rue, sworn June 19, 2025.

20. The Affidavit of Steve Grosland, sworn June 20, 2025.
21. The Affidavit of Sei Na, sworn on April 21, 2025.
22. The Affidavit of Ray Price, sworn September 5, 2025.
23. The Affidavit of Craig Thompson, sworn September 5, 2025.
24. The Affidavit of Debbie Uffelman, sworn September 5, 2025.
25. The Affidavit of Art Price, sworn September 5, 2025.
26. The Affidavit of Stephanie Dumoulin, to be filed.
27. Transcripts from examinations on Affidavits, to be filed.
28. Such further and other evidence as counsel may advise and this Honourable Court may permit.

Applicable Rules:

29. Part 6, Rule 6.11 and Rule 7.3 of the *Alberta Rules of Court*.
30. Such further and other Rules as counsel may advise and this Honourable Court may permit.

Applicable Acts and Regulations:

31. *Business Corporations Act*, RSA 2000, c B-9, section 242.
32. *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, s. 19.

Any irregularity complained of or objection relied on:

33. Not applicable.

How the application is proposed to be heard or considered:

34. Before Justice Lema in commercial chambers or in such other manner as the Honourable Court may direct.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

Schedule "A"

COURT FILE NO. 2503 – 10988
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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
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LIMITED, SUNTERRA BEEF LTD., LARIAGRA
FARMS LTD., SUNTERRA FARM ENTERPRISES LTD.,
SUNTERRA ENTERPRISES INC.

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ORDER

ADDRESS FOR
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BENNETT JONES LLP
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Attention:
Lincoln Caylor
Nathan J. Shaheen
Keely Cameron
Mathieu LaFleche

Telephone No.: 403-298-3100

Fax No.: 403-265-7219

**DATE ON WHICH ORDER WAS
PRONOUNCED:**

LOCATION OF HEARING OR TRIAL:

Edmonton, Alberta

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

The Honuorable Justice M.J. Lema

UPON the application of Compeer Financial, PCA (the "**Applicant**" or "**Compeer**") for summary judgment and declaratory relief (the "**Summary Judgment Application**"); AND UPON having read the pleadings and the materials filed herein; AND UPON hearing counsel for the Applicant, Counsel for the Defendants and any other interested parties appearing at the application;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The Summary Judgment Application is granted.
2. Compeer is granted judgment as against Sunterra Farms Ltd., Sunwold Farms Limited, Ray Price, Debbie Uffelman and Craig Thompson in the amount of \$36,500,103.19 USD, plus contractual interest of 11% and expenses.
3. Compeer is granted judgment as against Sunterra Enterprises Inc. in the amount of \$25,729,079.67 USD, plus contractual interest in the amount of 11% and expenses.
4. The claims of Compeer, set out in the Amended Statement of Claim as against Sunterra Farms Ltd. and Sunwold Farms Limited, are debts or liabilities resulting from obtaining property or services by false pretenses or fraudulent misrepresentations and are exempt from any compromise or arrangement pursuant to Section 19(2) of the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**").
5. The claims of Compeer, set out in the Amended Statement of Claim as against Ray Price, Debbie Uffelman and Craig Thompson ("**Individual Defendants**"), are claims arising from misrepresentations made by the Individual Defendants or the wrongful or

oppressive conduct of the Individual Defendants and are exempt from being released in connection with any compromise or arrangement pursuant to Section 5.1(2)(b) of the CCAA.

6. Any Claims (as defined in the Claims Procedure Order granted in Court of King's Bench Action No. 2501-06120 (the "**CCAA Action**")) that Compeer may have as against certain directors of Sunterra Farms Ltd., Sunwold Farms Limited, and Sunterra Enterprises Inc., namely, David Price, Arthur Price, and Glen Price, and any outstanding claims that Compeer may have as against Ray Price, remain subject to further order unaffected by the CCAA Action and may be advanced by Compeer.
7. Costs are to be determined by the parties and, if there is no agreement, then to be spoken to.

Justice of the Court of King's Bench of Alberta