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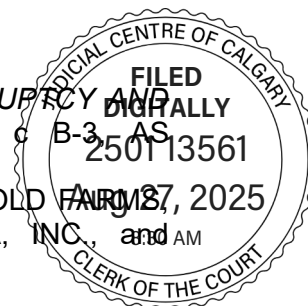
COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

PROCEEDING

IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c. B-3, AS
AMENDED
AND IN THE MATTER OF SUNWOLD FARMS,
INC., SUNTERRA FARMS IOWA, INC., and
LARIAGRA FARMS SOUTH, INC.



APPLICANT

PVC MANAGEMENT II, LLC d/b/a PIPESTONE
MANAGEMENT

DOCUMENT

ORIGINATING APPLICATION

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

MLT AIKINS LLP
Barristers and Solicitors
2100, 222 – 3rd Avenue S.W.
Calgary, Alberta T2P 0B4
Telephone: 403.693.5420
Fax No.: 403.508.4349/2644
Attention: Ryan Zahara/Jordan Eeles
File No.: 0178841.00001

NOTICE TO RESPONDENTS:

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:	September 4, 2025
Time:	3:00 p.m.
Where:	Calgary Court Centre – VIA WEBEX
Before:	The Honourable Justice M.J. Lema

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

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. The Applicant, PVC Management II, LLC d/b/a Pipestone Management (the “**US Receiver**”) makes this application as the court-appointed receiver and foreign representative of Sunterra Farms Iowa, Inc., Sunwold Farms, Inc., and Lariagra Farms

South, Inc. (the “**US Debtors**”) pursuant to an order (the “**US Receivership Order**”) granted by the United States District Court for the District of South Dakota, Southern Division (the “**US Court**”) on March 28, 2025 in Case N. 25-CV-04044 (the “**US Receivership Proceedings**”).

2. The US Receiver seeks an Order pursuant to Part XIII of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”), substantially in the form attached hereto as **Schedule "A"**, granting the following relief:
 - (a) declaring service of this Application and its supporting materials good and sufficient, and if necessary, abridging time for notice of the Application to the time actually given;
 - (b) declaring that the US Receiver is the foreign representative of the US Debtors in respect of the US Receivership Proceedings;
 - (c) recognizing the US Receivership Proceedings as a foreign main proceeding;
 - (d) staying all proceedings, rights and remedies against or in respect of the US Debtors or their business or property, or the US Receiver, except as otherwise ordered by this Honourable Court;
 - (e) except as otherwise ordered by this Honourable Court, prohibiting the US Debtors from selling or otherwise disposing of, outside the ordinary course of their businesses, any of the US Debtors' property in Canada that relates to the business and prohibiting the US Debtors from selling or otherwise disposing of any of their other property in Canada;
 - (f) granting the Administration Charge (as defined herein); and
 - (g) such further and other relief as this Honourable Court may deem just.

Grounds for making this application:

The US Debtors

3. On March 28, 2025, the US Receiver was appointed as the receiver of the US Debtors pursuant to the US Receivership Order Granted by the United States District Court for the District of South Dakota, Southern Division.

4. Sunterra Farms Iowa, Inc. ("**Sunterra US**") is an Iowa corporation with a principal office located in Cedar Rapids, Iowa, United States of America ("**US**"). It is a pig management company which managed approximately 500,000 pig spaces, of which approximately 110,000 were in South Dakota. It housed pigs owned by Sunwold Farms, Inc. and Lariagra Farms South, Inc.
5. Sunwold Farms, Inc. ("**Sunwold US**") is a South Dakota Corporation with a principal office located in Beresford, South Dakota, US.
6. Lariagra Farms South, Inc. ("**Lariagra US**") is a South Dakota Corporation with a principal office located in Beresford, South Dakota, US. Larigra US and Sunwold US are "wean-to-finish" operations. They purchased weaned pigs from Canadian members of the Sunterra Group (as defined herein) and raised those pigs to market weight in contract nursey and finishing barns in South Dakota.
7. The US Debtors' centre of main interest lies in the US, where they operated a US-based enterprise, and all of their management and operational decisions now are based.

The CCAA Entities

8. On April 22, 2025, the Honourable Justice M.J. Lema granted an Initial Order (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**") with respect to the following Canadian Companies:
 - (a) Sunterra Food Corporation;
 - (b) Trochu Meat Processors Ltd.;
 - (c) Sunterra Quality Food Markets Inc.;
 - (d) Sunterra Farms Ltd.;
 - (e) Sunwold Farms Limited;
 - (f) Sunterra Beef Ltd.;
 - (g) Lariagra Farms Ltd.;
 - (h) Sunterra Farm Enterprises Ltd.; and
 - (i) Sunterra Enterprises Inc.(collectively, the "**CCAA Entities**").

9. The Initial Order was amended by an Amended and Restated Initial Order on April 28, 2025.
10. The CCAA Entities and the US Debtors are part of a group of related companies controlled by the Price Family (the “**Sunterra Group**”).

The Alleged Cheque Kiting

11. On March 17, 2025, National Bank of Canada (“**National Bank**”) filed a Statement of Claim in Alberta against a number of companies, including the Sunterra US, Sunwold US and the CCAA Entities (the “**National Bank Claim**”).
12. On March 18, 2025, Compeer Financial, PCA (“**Compeer**”) filed a Complaint against the US Debtors in the US (the “**US Compeer Claim**”).
13. On June 2, 2025, Compeer filed a Statement of Claim in Alberta against two of the CCAA Entities, Sunterra Farms Ltd., Sunwold Farms Limited (together, the “**Canadian Sunterra Entities**”), in Canada (the “**Canadian Compeer Claim**” and, together with the US Compeer Claim, the “**Compeer Claims**”).
14. In the National Bank Claim and the Compeer Claims, National Bank and Compeer each allege that certain of the Sunterra Group, including the US Debtors and the CCAA Entities have conducted a sophisticated international fraudulent cheque kiting scheme (the “**Alleged Cheque Kiting**”).
15. In the National Bank Claim, National Bank has alleged that for the nine month time period commencing in approximately May, 2024, the Canadian Sunterra Entities circulated at least \$7 billion Canadian dollars through their bank accounts with National Bank by issuing at least 3,493 cheques, from these accounts, the vast majority of which were made payable to Sunwold US and Sunterra US and, in exchange, received at least 2,890 cheques, mainly from the bank accounts of Sunwold US and Sunterra US with Compeer. This equates to approximately 23 cheques being issued and deposited, each business day during this time period.
16. National Bank alleges, among other things, that the Alleged Check Kiting was used to accumulate unauthorized overdraft and amounted to theft.

17. In the Compeer Claims, Compeer has alleged that between January 1, 2025 and February 10, 2024:
 - (a) 474 cheques were drawn on the US Debtors' bank accounts with Compeer the "**Compeer Accounts**"), in the total amount of USD \$431,301,200, all for deposit into the Canadian Sunterra Entities' bank accounts with National Bank of Canada (the "**National Bank Accounts**"); and
 - (b) during the same period, the US Debtors 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.
18. It is further alleged in the Compeer Claims that 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 US Debtors' 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.
19. Compeer further alleges, among other things, that the US Debtors were moving funds back and forth between Compeer and National Bank of Canada in order to:
 - (a) ensure that the US Debtors had sufficient funds to avoid causing their revolving lines of credit at Compeer to go into an overdraft position; and
 - (b) benefit from interest payments made from Compeer to the US Debtors for maintaining a positive balance in its Compeer Accounts.

The US Receivership Proceedings

20. On March 28, 2025, Compeer applied for and was granted the US Receivership Order. Accordingly, the US Receiver was made receiver over all of the US Debtors property.
21. Pursuant to paragraph 11(q) of the US Receivership Order, the US Receiver was granted to power to investigate the Alleged Cheque Kiting:

q. To investigate and pursue the Causes of Action and the check kiting referenced in the Complaint (the "**Check Kiting**"), or any suspicious transactions discovered as part of the investigation, including, without limitation, by: (i) taking such actions as are contemplated by paragraphs 11.e, 11.p., and 11.r. of this Order; (ii) reviewing, analyzing, reconciling, and otherwise assessing and investigating, in such manner as the Receiver deems necessary or appropriate, the Check Kiting, the Receivership Property, any and all Banking Records, and any and all other records in relation to any of the aforementioned; (iii) tracing and reviewing the sources, destinations, senders, and recipients of the funds involved in the Check Kiting; and, (iv) engaging in such discussions, with any person, as the Receiver deems necessary or appropriate for any of the aforementioned purposes;

The Forensic Accounting

22. One of the purposes for the US Receiver being put in place is for to investigate the Alleged Cheque Kiting. To that end, the US Receiver engaged Creative Planning Business Services ("**Creative Planning**") to conduct a forensic accounting of the Alleged Cheque Kiting (the "**Forensic Accounting**").
23. Beginning on March 31, 2025, the US Receiver and Creative Planning began experiencing difficulty getting the Sunterra Group to cooperate with the Forensic Accounting.
24. Upon the intervention of the US Court, the US Receiver has been able to get cooperation from the US Debtors with the Forensic Accounting.
25. Upon Creative Planning's review of the US Debtors' accounting records, it appears that numerous cheques were sent between the US Debtors and the CCAA Entities, among other companies in the Sunterra Group.
26. Accordingly, on July 21, 2025, Counsel for the US Receiver wrote to the CCAA Entities' counsel providing a Data Request List (the "**Data Request List**") prepared by Creative Planning for its forensic accounting and requesting that the CCAA Entities provide the requested documents.
27. In the Data Request List, Creative Planning requests, among other things, copies of bank statements, email correspondence between members of the Sunterra Group regarding cash transfers, cheques, outstanding debt, lines of credit and bankruptcy discussions, shipping information, and accounting information.

28. Canadian entities within the Sunterra Group, including the CCAA Entities, have taken the position that the US Receiver does not have the jurisdiction or authority to review the accounting records of any Canadian entity in the Sunterra Group.
29. As of the date of filing this Application, the CCAA Entities have not complied with, or otherwise responded to the Data Request list.

The US Receivership Proceedings are the Foreign Main Proceeding

30. The US Receivership Proceedings constitute a “foreign proceeding” under section 268(1) of the *BIA*.
31. Pursuant to the paragraph 51 of the US Receivership Order, the US Court has requested the aid of Canadian Courts in assisting the US Receiver to carry out the terms of the US Receivership Order including by granting it representative status in any foreign proceeding.
32. The US Receiver has been authorized in a foreign proceeding to administer the US Debtors’ property and affairs for the purpose of reorganization or liquidation and as such fits within the definition of “foreign representative” under section 268(1) of the *BIA*.
33. Pursuant to section 270(1) the *BIA*, this Honourable Court is to make an order recognizing the US Receivership Proceedings if it is satisfied that this application relates to a “foreign proceeding” and that the applicant is a “foreign representative”, and if such an order is granted, section 270(2) of the *BIA* requires that the Court specify whether such foreign proceeding is a “foreign main proceeding” or a “foreign non-main proceeding”.
34. The US Receivership Proceedings are a “foreign main proceeding” because the US Debtors “centre of main interests” are in the US for, among other reasons:
 - (a) the US Debtors senior secured lenders recognize the US as the US Debtor’s primary country of business;
 - (b) the US is the location in which the US Debtor’s principal assets and operations are found;
 - (c) the US is where each of the US Debtor’s registered offices are located;

- (d) the US Debtors' banking is administered in the US; and
- (e) the US Receiver now controls the business and functions of the US Debtors and is located in the US.

The Requirement for the Relief Sought

35. In order to complete the investigation into the Alleged Cheque Kiting, as directed by the US Court in the US Receivership Order, the US Receiver requires the CCAA Entities to cooperate with the Forensic Accounting being completed by Creative Planning. The CCAA Entities have to date refused or otherwise failed to cooperate or provide the information required by Creative Planning. Upon being recognized as the foreign representative of the US Debtors in Alberta, the US Receiver intends to bring an Application within the CCAA Proceedings to compel the CCAA Entities to comply with the Forensic Accounting.

The Stay of Proceedings is Necessary and Appropriate

36. The stay of proceedings sought is required to provide a period of stability and calm in Canada while the Receiver completes its investigation into the Alleged Cheque Kiting.
37. Section 271(1) of the *BIA* provides that when recognizing a foreign main proceeding, this Honourable Court is to stay, restrain and prohibit the commencement or furtherance of any action, suit or proceeding against the debtor company, subject to any terms and conditions it considers appropriate.

The Administration Charge is Necessary and Appropriate

38. The US Receiver requests a charge for the benefit of their Canadian legal counsel in the amount of \$50,000 (the "**Administration Charge**").
39. Approval of the Administration Charge by this Honourable Court is appropriate because the beneficiaries thereof will be providing essential professional services in respect of these receivership proceedings.
40. The amount of the Administration Charge is reasonable in the circumstances, having regard to the size and complexity of these proceedings and the roles that will be required of the US Receiver's Canadian legal counsel.

Material or evidence to be relied on:

- 41. The Affidavit of Hannah Walkes sworn on August 26, 2025;
- 42. Such further and other materials as counsel for the Applicant may advise and this Honourable Court may permit.

Applicable rules:

- 43. Part 6, Division 1 of the Alberta *Rules of Court*, Alta Reg 124/2010.

Applicable Acts and regulations:

- 44. The *Bankruptcy and Insolvency Act*, RSC 1985, c B-3; and
- 45. Such further and other Acts or regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

- 46. None.

How the application is proposed to be heard or considered:

- 47. By Webex videoconference before the Honourable Justice M.J. Lema.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant 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 a reasonable time before the application is to be heard or considered.

SCHEDULE "A"

COURT FILE NUMBER

Clerk's Stamp

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

PROCEEDING

IN THE MATTER OF THE *BANKRUPTCY
AND INSOLVENCY ACT*, RSC 1985, c B-3,
AS AMENDED
AND IN THE MATTER OF SUNWOLD
FARMS, INC., SUNTERRA FARMS IOWA,
INC., and LARIAGRA FARMS SOUTH, INC.

APPLICANT

PVC MANAGEMENT II, LLC d/b/a
PIPESTONE MANAGEMENT

DOCUMENT

FOREIGN RECOGNITION ORDER

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

MLT AIKINS LLP
Barristers and Solicitors
2100, 222 – 3rd Avenue S.W.
Calgary, Alberta T2P 0B4
Telephone: 403.693.5420
Fax No.: 403.508.4349/2644
Attention: Ryan Zahara/Jordan Eeles
File No.: 0178841.00001

DATE ON WHICH ORDER WAS PRONOUNCED:

SEPTEMBER 4, 2025

LOCATION OF HEARING:

CALGARY, ALBERTA

NAME OF JUSTICE WHO MADE THIS ORDER:

M.J. LEMA

UPON the Application of PVC Management II, LLC d/b/a Pipestone Management (the “**US Receiver**”), the court-appointed receiver and foreign representative of Sunterra Farms Iowa, Inc., Sunwold Farms, Inc., and Lariagra Farms South, Inc. (the “**US Debtors**”) pursuant to an order granted by the United States District Court for the District of South Dakota, Southern Division on March 28, 2025 in Case N. 25-CV-04044 (the “**US Receivership Proceedings**”); **AND UPON** having read the Affidavit of Hannah Walkes sworn August 26, 2025; **AND UPON** hearing from counsel for all interested parties present;

IT IS HEREBY ORDERED THAT:

SERVICE

1. The time for service of the notice of this application and supporting materials is hereby abridged and declared good and sufficient and validated so that this application is properly returnable today and further service thereof is hereby dispensed with.

RECOGNITION OF THE FOREIGN PROCEEDING

2. The US Receiver is the “foreign representative” as defined in section 268(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”) of the US Debtors in respect of the US Receivership Proceedings.
3. The centre of each of the US Debtors’ main interest is the United States of America and the US Receivership Proceedings is hereby recognized as a “foreign main proceeding” as defined in section 268(1) of the *BIA*.
4. That until otherwise ordered by this Court:
 - (a) all proceedings taken or that might be taken against any US Debtor under the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act* are stayed;
 - (b) further proceedings in any action, suit or proceeding against any US Debtor are restrained; and
 - (c) the commencement of any action, suit or proceeding against any US Debtor is prohibited.
5. Except with leave of this Court, each US Debtor is prohibited from selling or otherwise disposing of, outside the ordinary course of its business, any of its property in Canada that relates to the business, and any of its other property in Canada.
6. Without delay after the order is made, or as soon as practicable thereafter, the US Receiver shall cause to be published a notice substantially in the form attached to this Order as Schedule “A”, once a week for two consecutive weeks, in the National Post.

ADMINISTRATION CHARGE

7. Legal counsel to the US Receiver, shall be entitled to the benefit of and is hereby granted a charge (the “**Administration Charge**”) on the property of the US Debtors located in Canada (the “**Property in Canada**”), which charge shall not exceed an aggregate amount of \$50,000 as security for its professional fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order. The Administration Charge shall have the priority set out in paragraph 9 hereof.
8. The filing, registration or perfection of the Administration Charge shall not be required, and that 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 the Administration Charge.
9. The Administration Charge shall constitute a charge on the Property in Canada and shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person.
10. Except as may be approved by this Court, the US Debtors shall not grant any Encumbrances over any Property in Canada that rank in priority to, or pari passu with the Administration Charge unless the US Debtors also obtain the prior written consent of the US Receiver.
11. 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 (collectively, the “**Chargees**”) shall not otherwise be limited or impaired in any way by (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to the *BIA*, or any bankruptcy order made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the *BIA*; (iv) the provisions of any federal or provincial statutes; or (v) 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**”) which binds any US Debtor, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Administration Charge shall not create or be deemed to constitute a breach by a US Debtor of any Agreement to which it is a party;
 - (b) 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
 - (c) the payments made by the US Debtors to the Chargees pursuant to this Order, and the granting of the Administration Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.
12. Any charge created by this Order over leases of real property in Canada shall only be a charge in the applicable Debtor’s interest in such real property leases.

GENERAL

13. This Court requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, to give effect to this Order and to assist the US Debtors and the US Receiver and their respective counsel and agents in carrying out the terms of this Order.
14. This Order shall be effective as of 12:01 A.M. MST on the date of this Order.

J.C.K.B.A

Schedule "A"

Court File No. _____

COURT OF KING'S BENCH OF ALBERTA

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY*
ACT, RSC 1985, c B-3, AS AMENDED

AND IN THE MATTER OF SUNWOLD FARMS, INC., SUNTERRA
FARMS IOWA, INC., and LARIAGRA FARMS SOUTH, INC.

NOTICE OF FOREIGN RECOGNITION ORDER

PLEASE BE ADVISED that this Notice is being published pursuant to an order of the Court of King's Bench of Alberta (the "**Canadian Court**"), granted on September 4, 2025 (the "**Recognition Order**").

TAKE NOTICE that on March 28, 2025, PVC Management II, LLC d/b/a Pipestone Management (the "**US Receiver**") was appointed the receiver and foreign representative of Sunterra Farms Iowa, Inc., Sunwold Farms, Inc., and Lariagra Farms South, Inc. (the "**US Debtors**") pursuant to an order granted by the United States District Court for the District of South Dakota, Southern Division (the "**US Court**") in Case N. 25-CV-04044 (the "**US Receivership Proceedings**"). The US Receiver's address is [REDACTED].

AND TAKE NOTICE that the Recognition Order granted by the Canadian Court on September 4, 2025, which was issued by the Canadian Court under Part XIII of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, among other things:

1. declared that the US Receivership Proceedings are recognized as a foreign main proceeding;
2. granted a stay of proceedings against the US Debtors; and
3. granted an Administration Charge against the US Debtors' property located in Canada and in favour of the US Receiver's legal counsel.

FINALLY TAKE NOTICE that if you wish to receive copies of the Recognition Order or obtain further information in respect of the matters set forth in this Notice, you may contact the US Receiver's counsel, which is:

MLT AIKINS LLP

2100, 222 – 3rd Avenue S.W. Calgary, Alberta T2P 0B4

Attention: Ryan Zahara / Jordan Eeles

Email: rzahara@mltaikins.com / jeeles@mltaikins.com

DATED AT BRANDON, SOUTH DAKOTA, U.S.A. this ____ day of August, 2025.

PVC Management II, LLC d/b/a Pipestone Management

(solely in its capacity as the court-appointed receiver and foreign representative of the US Debtors, and not in its personal or corporate capacity)