

COURT FILE NUMBER

2501 - 06120

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

APPLICANT

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

THIRD REPORT OF FTI CONSULTING CANADA INC., IN  
ITS CAPACITY AS MONITOR 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.

**August 29, 2025**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**MONITOR**

FTI Consulting Canada Inc.  
Suite 1610 520 Fifth Avenue S.W.  
Calgary, AB T2P 3R7  
Dustin Olver  
Telephone: (403) 454-6032  
Fax: (403) 232-6116  
E-mail: [dustin.olver@fticonsulting.com](mailto:dustin.olver@fticonsulting.com)

**COUNSEL**

Norton Rose Fulbright Canada LLP  
400 – 3<sup>rd</sup> Avenue SW, Suite 3700  
Calgary, AB T2P 4H2  
Howard A. Gorman, K.C. / Gunnar Benediktsson  
Telephone: (403) 267-8222 / (403) 267-8256  
Fax: (403) 264-5973  
E-mail: [Howard.gorman@nortonrosefulbright.com](mailto:Howard.gorman@nortonrosefulbright.com)  
[gunnar.benediktsson@nortonrosefulbright.com](mailto:gunnar.benediktsson@nortonrosefulbright.com)



**THIRD REPORT OF THE MONITOR**

**Table of Contents**

INTRODUCTION ..... 1

PURPOSE ..... 4

TERMS OF REFERENCE ..... 4

MONITOR’S COMMENTS ON NBC RELIEF ..... 5

MONITOR’S COMMENTS ON THE US RECEIVER RELIEF ..... 6

CONCLUSIONS..... 9

## INTRODUCTION

1. On March 24, 2025 (the “**NOI Filing Date**”) Sunterra Farms Ltd. (“**Sunterra Farms**”), Sunterra Food Corporation (“**Sunterra Food**”), Sunterra Quality Food Markets Inc. (“**Sunterra Markets**”), Sunwold Farms Limited (“**Sunwold**”) and Trochu Meat Processors Ltd. (“**Trochu**” and with Sunterra Farms, Sunterra Food, Sunterra Markets and Sunwold collectively, the “**BIA Applicants**”) each filed a Notice of Intention to Make a Proposal (“**NOI**”) under Section 50.4 of the Bankruptcy and Insolvency Act, R.S.C 1985, c. B-3, as amended (the “**BIA**”). Harris & Partners Inc. (“**HPI**”) consented to act as proposal trustee of the BIA Applicants under the NOI (the “**Proposal Trustee**”).
2. On April 15, 2025, the BIA Applicants and four additional applicants, Sunterra Beef Ltd. (“**Sunterra Beef**”), Lariagra Farms Ltd. (“**Lariagra**”), Sunterra Farm Enterprises Ltd. (“**Sunterra Farm Enterprises**”) and Sunterra Enterprises Inc. (“**Sunterra Enterprises**” and collectively with the BIA Applicants, Sunterra Beef, Lariagra, Sunterra Farm Enterprises and Sunterra Enterprise, the “**Applicants**”), applied to the Court of King’s Bench of Alberta (the “**Court**”) for an initial order (the “**Initial Order**”) to commence proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”). The Initial Order was granted by the Court on April 22, 2025.
3. The Initial Order, established a stay of proceedings (the “**Stay of Proceedings**”) in favour of the Applicants until April 28, 2025, appointed FTI Consulting Canada Inc. as Monitor (the “**Monitor**”) and granted, among other things, the following relief:
  - a. converting the NOI proceedings and continuing the BIA Applicants’ restructuring, and the restructuring of the Applicants as a whole, under the CCAA (the “**CCAA Proceedings**”); and

- b. granted certain court ordered priority charges for individuals identified as critical to the operations and success of these CCAA Proceedings namely:
  - i. first, an Administration Charge of \$1,000,000;
  - ii. second, a D&O Charge of \$900,000.
- 4. At the Comeback hearing held on April 28, 2025, this Court granted an amended and restated Initial Order (the “**ARIO**”) which provided for, among other things:
  - a. an extension of the stay of proceedings until July 31, 2025; and
  - b. request the ability to make payments for pre-filing inventory and other goods or services essential to the Applicants business or delivered by critical suppliers with the consent of the Monitor.
  - c. On [], 2025, the Court granted a claims process order (the “**Claims Procedure Order**”) requesting, among other things:
    - i. approval of a process for: (i) the identification, quantification and resolution of pre-filing and restructuring period claims, wherever situated, against the Applicants and their respective current and former directors and officers; and (ii) inter-company claims between the Applicants and its subsidiaries located in the United States; and (iii) establishing the process for the adjudication of the claims of two of the Applicants’ major stakeholders Compeer Financial, PCA (“**Compeer**”) and the National Bank of Canada (“**NBC**”); and
    - ii. extension of the Stay of Proceedings up to and including November 30, 2025.

5. At the time the Claims Procedure Order was granted there was an outstanding issue between NBC and Compeer with respect to whether the Claims Procedure Order should include a provision to call on Compeer to make a claim against NBC with respect to the alleged check-kiting scheme. Compeer and NBC agreed to defer the issue, to be more fully described and determined at an application scheduled September 5, 2025 (“**September 5 Application**”). This agreement was formalized in paragraph 47 of the Claims Procedure Order.
6. On August 25, 2025 NBC filed an application materials to be heard at the September 5 Application requesting the Court to make an Order seeking the following:
  - a. Amending the Definition of Compeer v NBC Claim contained in Schedule “A” of the Consent Order (Scheduling) granted in the within action by the Honourable Justice M.J. Lema on July 24, 2025 to add “Compeer Financial” after “Sunterra US Entities” such that the definition of Compeer v. NBC Claim will read:
    - i. “Compeer v. NBC Claim” means every claim Compeer has or may have against National Bank of Canada (as amalgamation successor to Canadian Western Bank) that is related to, arises from or is in anyway connected to Canadian Western Bank dishonoring cheques issued by Sunterra Farms Ltd. or Sunwold Farms Limited in favour of the Sunterra US Entities or Compeer Financial, PCA.
  - b. Requiring Compeer to file an election (the “**Compeer Election**”), on or before September 30, 2025 (the “**Compeer Claims Bar Date**”), in which Compeer: (i) indicates whether it intends to advance a claim against NBC in respect of any facts, circumstances or matters giving rise to a Compeer v. NBC Claim; and, (ii) if Compeer indicates that it intends to advance such a claim, requiring Compeer to: (a) outline the bases of such claim(s); and (b) provide a range of the quantum of such claim(s); and

- c. if Compeer does not file the Compeer Election on or before the Compeer Claims Bar Date, then Compeer will, subject to further order of this Court, be forever barred, estopped and enjoined from asserting or enforcing the Compeer v. NBC Claim against NBC.

collectively (“**NBC Relief**”).

7. The Monitor understands that Compeer opposes the NBC Relief.
8. On August 26, 2025 PVC Management II, LLC, d/b/a Pipestone Management (the “**US Receiver**”) in its capacity as court-appointed receiver of certain US affiliates of the Applicants, filed materials returnable September 4, 2025, for an order among other things, declaring that the US Receiver is the foreign representative of the US Debtors in respect of the US Receivership Proceedings, and recognizing the US Receivership Proceedings as a foreign main proceeding (“**US Receiver Relief**”).

## PURPOSE

9. The purpose of this report (this “**Report**” or the “**Third Report**”) is to provide the Monitor’s views on the NBC Relief and the US Receiver’s application.

## TERMS OF REFERENCE

10. In preparing this report, the Monitor has relied upon certain information (the “**Information**”), including the Applicants’ unaudited financial information, books and records, and discussions with the Applicants’ senior management (“**Management**”).
11. Except as described in this Report, the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*.

12. The Monitor has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
13. Future-oriented financial information reported to be relied on in preparing this Report is based on Management's assumptions regarding future events. Actual results may vary from forecast and such variations may be material.
14. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.
15. Capitalized terms used but not defined herein are given the meaning ascribed to them in the First Price Affidavit, the Second Price Affidavit and the proposed Claims Procedure Order.

#### **MONITOR'S COMMENTS ON NBC RELIEF**

16. NBC has applied to this Court for certain relief relating to the Claims Procedure Order. In particular, the Monitor understands that NBC has asked this Court to direct that Compeer be required to file an election on or before September 30, 2025 in which Compeer will advise whether it intends to advance a claim against NBC (an "**Intercreditor Claim**") in relation to proceedings against the Applicants or their affiliates.
17. The Monitor has reviewed NBC's application and proposed order. The Monitor notes that NBC has not asked that Compeer be required to prove its claim by this date, only that it make an election and confirm the facts, circumstances and matters, bases and range of quantum of such Intercreditor Claim.
18. In the Monitor's view, requiring an election from Compeer would advance the remedial purposes of the CCAA in this case. In particular, the Monitor notes that any Intercreditor Claim advanced by Compeer would rest on the same facts and allegations that form

Compeer's claims against the Applicants. If Compeer is not required to make an election during the Court-ordered claims procedure, the result could be an NBC indemnity claim against the company that arises only after the Court-ordered claims procedure has already concluded, which risks waste and duplication of effort.

19. The Monitor notes that one purpose of the Claims Procedure Order is to identify and resolve all of the claims (including contingent claims) against the Applicants, in order to facilitate a restructuring or refinancing. That can include resolution of intercreditor claims, where doing so furthers the objectives of the CCAA. As noted above, the Compeer Intercreditor Claim, if advanced, could give rise to a secondary claim against the Applicants that is left unresolved by the Court-ordered claims process, which is potentially burdensome to a company attempting to restructure and inconsistent with the purposes of the Claims Procedure Order and CCAA. The Monitor has reviewed the brief and authorities cited by NBC, and concurs that the Court has jurisdiction to order the resolution of an intercreditor claim if it determines that doing so would "assist in the restructuring process and further the remedial purposes of the CCAA."<sup>1</sup>.
20. The Monitor does not see any material prejudice against Compeer by requiring Compeer to file the proposed Compeer Election.
21. The Monitor agrees that NBC's proposed requirement of an election by Compeer of an Intercreditor Claim on or before a date certain is fair, reasonable, and practical.

## **MONITOR'S COMMENTS ON THE US RECEIVER RELIEF**

---

<sup>1</sup> *Alderbridge Way GP Ltd. (Re)*, 2023 BCSC 1718 at para 56 (cited in the brief of law of NBC dated August 25, 2025 at para 31).



22. To the extent the US Receiver’s application relates to U.S. entities that are not applicants in this proceeding, the Monitor takes no position. In that regard, the Monitor notes that the US Receiver has requested a Court-ordered charge against the Canadian assets of the U.S. entities that are in receivership, but has not requested any charge against the assets of the Applicants.
23. However, the Monitor has also reviewed the balance of the US Receiver’s application materials, including a request for a direction to the Applicants that they “cooperate” with the US Receiver in performing certain investigative functions, and that the Claims Bar Date in the Claims Procedure Order be extended for the U.S. entities until after the resolution of the claims of NBC and Compeer.
24. The Monitor does not agree that the Claims Bar Date should be extended to accommodate intercompany claims by U.S. affiliates of the Applicants that may be brought by the US Receiver. Resolution of the NBC and Compeer claims should not affect any claim that the US Receiver might bring, which could only be intercompany claims against the Applicants by the U.S. affiliates in receivership, and could not (in the Monitor’s view) flow directly from any finding in respect of NBC and Compeer’s claims against the Canadian Applicants.
25. In addition, the Monitor is concerned about the breadth of the US Receiver’s request for co-operation with its “investigation of the Alleged Cheque Kiting.”<sup>2</sup> Although the Monitor supports co-operation with that investigation in the manner already directed by the U.S. Courts, the US Receiver has asked for disclosure of a broad range of information as set out in a July 21<sup>st</sup> letter to the Applicants’ Counsel, which included a lengthy request for

---

<sup>2</sup> Affidavit of Hannah Walkes, sworn August 26<sup>th</sup>, 2025, para 2(b)(i).

document disclosure by the Applicants.<sup>3</sup> In the Monitor's view, the US Receiver's information request, to the extent it imposes obligations on the Applicants to search and obtain the records listed in the US Receiver's July 21<sup>st</sup> letter, is excessively burdensome. The issues being investigated by the US Receiver are largely the same as the issues to be determined by this Court in relation to the NBC and Compeer claims; conducting a second investigation in parallel with that determination, with further extensive document disclosure obligations, is not appropriate and creates an unworkable burden on the Applicants.

---

<sup>3</sup> Walkes Affidavit, Exhibit "U". The July 21<sup>st</sup> letter requested, among other records, bank statements, email correspondence, shipping documents (including UPS, USPS, FedEx, and Canada Post shipping statements and receipts), general ledgers, access to accounting systems of the Applicants, bank and credit card statements, salary amounts, documented internal control procedures, and original receipts and invoices for disbursements by the Applicants.

## CONCLUSIONS

26. Subject to the comments and views noted above, the Monitor recommends the Court approve the NBC Relief.

\*\*\*\*\*

All of which is respectfully submitted this 29<sup>th</sup> day of August 2025.

**FTI Consulting Canada Inc.**, in its capacity as  
the Monitor of the Applicants  
and not in its personal or corporate capacity



---

Dustin Olver, CA, CPA, CIRP, LIT  
Senior Managing Director  
FTI Consulting Canada Inc.