

Form 27

[Rules 6.3 and 10.52(1)]

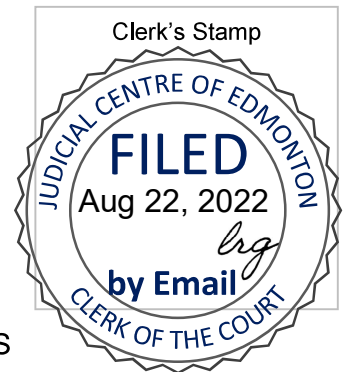
COURT FILE NUMBER 1803 23072

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

PLAINTIFF HSBC BANK OF CANADA

DEFENDANTS CHATUR HOLDINGS LTD., GLOBE IMPORTS (ONTARIO) LTD., 895102 ALBERTA LTD., FARHAN CHATUR, NAZIR JAVER, FEIZAL CHATUR, AL-KARIM CHATUR, SALIM CHATUR, AMIRALI CHATUR, ZARIAN CHATUR and NASSIM CHATUR



COURT FILE NUMBER Q.B. No. 24-2476632
Estate No. 24-2476632

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

APPLICANT THE BOWRA GROUP INC.

STYLE OF CAUSE IN THE MATTER OF THE BANKRUPTCY OF CHATUR HOLDINGS LTD.

COURT FILE NUMBER Q.B. No. 32-2483613
Estate No. 32-2483613

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

APPLICANT THE BOWRA GROUP INC.

STYLE OF CAUSE IN THE MATTER OF THE BANKRUPTCY OF GLOBE IMPORTS (ONTARIO) LTD.

DOCUMENT **APPLICATION BY THE RECEIVER AND TRUSTEE, THE BOWRA GROUP INC.**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

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Barristers & Solicitors
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File No.: 063227-00011

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 master/judge.

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

Date: **August 31, 2022**
Time: **2:00 pm**
Where: **Via Webex**
Before Whom: **The Honourable ACJ Nielsen**

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. An Order in substantially the form attached hereto as Schedule "A":
 - (a) Abridging time for service of this Application and, if necessary, deeming service good and sufficient;
 - (b) Directing a further 6-month extension of the Tolling Order granted by Justice Mah on August 5, 2020, and extended by Justice Dunlop on March 2, 2021 and August 27, 2021, and by Justice Mah on March 1, 2022 (the "**Tolling Order**"), with respect to the suspension of all limitation periods pertaining to potential claims by the Receiver and Trustee (as defined below) in this Action, for the period of September 5, 2022 to March 5, 2023, inclusive;
 - (c) Approving and ratifying the Trustee's Fifth Report to the Court, dated August 22, 2022, and the activities of the Receiver and Trustee as detailed therein; and

- (d) Such further and other relief as counsel may advise, and this Honourable Court may permit.

Grounds for making this application:

2. The Bowra Group Inc. ("**Bowra**") is currently the Receiver and Licensed Insolvency Trustee of Chatur Holdings Ltd. ("**Chatur**") and Globe Imports (Ontario) Ltd. ("**Globe**") (collectively, Chatur and Globe are referred to herein as the "**Company**").
3. On December 12, 2018, HSBC Bank of Canada, the Company's senior secured lender ("**HSBC**"), appointed Bowra as the Receiver of the Company (the "**Receiver**") by Order of the Court of Queen's Bench of Alberta.
4. On February 20, 2019, Bowra, as the Receiver of Chatur, assigned Chatur into Bankruptcy.
5. On March 8, 2019, Bowra, as the Receiver of Globe, assigned Globe into Bankruptcy. Bowra was appointed Licenced Insolvency Trustee (the "**Trustee**") of both Chatur and Globe.
6. The *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 (the "**BIA**") empowers the Trustee to make inquiries and report upon any transactions to which sections 95 to 101 of the BIA may apply.
7. On August 5, 2020, the Honourable Mr. Justice Mah granted an Order:
 - (a) suspending all limitation periods applicable against the Receiver, Trustee, and the creditors of the Debtor to commence actions pursuant to the provisions of the BIA, the Fraudulent Preferences Act, RSA 2000, c. F-24 (the "**FPA**"), the Statute of Elizabeth, 1571 (UK), 13 Eliz I, c. 5 (the "**Statute**"), or any other provincial legislation or regulations in force in Alberta, Ontario, or other province or territory of Canada to challenge, set aside or impugn any transfers, conveyances, preferences and conveyances at under value of any property of the Company (the "**Questioned Transactions**"), until March 5, 2021, except as may be extended by further Order of this Honourable Court;
 - (b) granting the Receiver and Trustee the power and authority to conduct examinations of any person reasonably thought to have knowledge of the Questioned Transactions, or any one or more of them all, in the manner, and subject to the limitations, as provided to a Trustee in bankruptcy pursuant to section 163 of the BIA; and
 - (c) approving and ratifying the First Report to Court of the Receiver and the Trustee.
8. On March 2, 2021, the Honourable Mr. Justice Dunlop granted an Order:
 - (a) suspending all limitation periods applicable against the Receiver, Trustee, and the creditors of the Debtor to commence actions pursuant to the provisions of the BIA, the FPA, the Statute or any other provincial legislation or regulations in force in Alberta, Ontario, or other province or territory of Canada to challenge, set aside or impugn any Questioned Transactions until August 27, 2021, except as may be extended by further Order of this Honourable Court;

- (b) granting the Receiver and Trustee the power and authority to conduct examinations of any person reasonably thought to have knowledge of the Questioned Transactions or any one or more of them all in the manner and subject to the limitations as provided to a Trustee in bankruptcy pursuant to section 163 of the BIA; and
 - (c) approving and ratifying the Second Report to Court of the Receiver and the Trustee.
9. On August 27, 2021, the Honourable Mr. Justice Dunlop granted an Order:
- (a) suspending all limitation periods applicable against the Receiver, Trustee, and the creditors of the Debtor to commence actions pursuant to the provisions of the BIA, the FPA, the Statute or any other provincial legislation or regulations in force in Alberta, Ontario, or other province or territory of Canada to challenge, set aside or impugn any Questioned Transactions until March 5, 2022, except as may be extended by further Order of this Honourable Court;
 - (b) granting the Receiver and Trustee the power and authority to conduct examinations of any person reasonably thought to have knowledge of the Questioned Transactions or any one or more of them all in the manner and subject to the limitations as provided to a Trustee in bankruptcy pursuant to section 163 of the BIA; and
 - (c) approving and ratifying the Third Report to Court of the Receiver and the Trustee
10. On March 1, 2022, the Honourable Mr. Justice Mah granted an Order:
- (a) suspending all limitation periods applicable against the Receiver, Trustee, and the creditors of the Debtor to commence actions pursuant to the provisions of the BIA, the FPA, the Statute or any other provincial legislation or regulations in force in Alberta, Ontario, or other province or territory of Canada to challenge, set aside or impugn any Questioned Transactions until September 5, 2022, except as may be extended by further Order of this Honourable Court;
 - (b) granting the Receiver and Trustee the power and authority to conduct examinations of any person reasonably thought to have knowledge of the Questioned Transactions or any one or more of them all in the manner and subject to the limitations as provided to a Trustee in bankruptcy pursuant to section 163 of the BIA; and
 - (c) approving and ratifying the Fourth Report to Court of the Receiver and the Trustee
- (the “**March 2022 Mah Order**”).
11. Since the March 2022 Mah Order, Bowra has continued working closely and diligently with its legal counsel, as well as counsel for HSBC, to address and manage other issues pertaining to the Company. In particular, Bowra, in its capacity as Receiver and Trustee, continues to advance a breach of contract action against the Company’s insurer for a fire loss claim (the “**Fire Loss Claim**”), which proceeded to mediation on Wednesday, June 22, 2022.
12. In addition to the delays caused by the scheduling conflicts of the parties to the Fire Loss Claim, Bowra requires additional time to investigate and consider the Questioned Transactions in greater detail.

13. At this stage, it remains unclear whether further efforts to set aside the Questioned Transactions, including but not limited to extensive investigations and possible court applications, would provide any benefit to the creditors of the Company.
14. Bowra, in its capacity as Receiver and Trustee, proposes that all rights of the parties remain preserved, including rights to bring applications to set aside the Questioned Transactions, until it can determine whether such proceedings would result in a benefit to the creditors of the Company.

Material or evidence to be relied on:

15. The pleadings and proceedings filed in this Action.
16. Order of Justice Mah, granted August 5, 2020.
17. Orders of Justice Dunlop, granted March 2, 2021 and August 27, 2021.
18. Order of Justice Mah, granted March 1, 2022.
19. Trustee's Fifth Report to the Court, dated August 22, 2022.
20. Such further and other materials or evidence as counsel may advise, and this Honourable Court may permit.

Applicable rules:

21. *Alberta Rules of Court*, Rules 1.2, 1.4, 6.1, 6.2 and 11.27.
22. Such further and other rules as counsel may advise, and this Honourable Court may permit.

Applicable Acts and regulations:

23. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, including, but not limited to, sections 95 - 101 and 163.
24. *Fraudulent Preferences Act*, RSA 2000, c. F-24.
25. *Statute of Elizabeth*, 1571 (UK), 13 Eliz I, c 5, c F.29.

Any irregularity complained of or objection relied on:

26. None.

How the application is proposed to be heard or considered:

27. Via WebEx, before The Honourable ACJ Nielsen.

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"
[Proposed Form of Order]

Form 31
[Rule 6.22(4)]

COURT FILE NUMBER	1803 23072
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
PLAINTIFF	HSBC BANK OF CANADA
DEFENDANTS	CHATUR HOLDINGS LTD., GLOBE IMPORTS (ONTARIO) LTD., 895102 ALBERTA LTD., FARHAN CHATUR, NAZIR JAVER, FEIZAL CHATUR, AL-KARIM CHATUR, SALIM CHATUR, AMIRALI CHATUR, ZARIAN CHATUR and NASSIM CHATUR
COURT FILE NUMBER	Q.B. No. 24-2476632 Estate No. 24-2476632
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
APPLICANT	THE BOWRA GROUP INC.
STYLE OF CAUSE	IN THE MATTER OF THE BANKRUPTCY OF CHATUR HOLDINGS LTD.
COURT FILE NUMBER	Q.B. No. 32-2483613 Estate No. 32-2483613
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
APPLICANT	THE BOWRA GROUP INC.
STYLE OF CAUSE	IN THE MATTER OF THE BANKRUPTCY OF GLOBE IMPORTS (ONTARIO) LTD.

Clerk's Stamp

DOCUMENT

ORDER

ADDRESS FOR
SERVICE AND
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INFORMATION OF
PARTY FILING THIS
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File No.: 063227-00011

DATE ON WHICH ORDER WAS PRONOUNCED: August 31, 2022
LOCATION OF HEARING OR TRIAL: Edmonton, Alberta
NAME OF JUDGE WHO MADE THIS ORDER: The Honourable ACJ Nielsen

UPON THE APPLICATION of The Bowra Group Inc., in its capacity as Court-Appointed Receiver (the “**Receiver**”) of Chatur Holdings Ltd. (“**Chatur**”) and Globe Imports (Ontario) Ltd. (“**Globe**”) (Chatur and Globe are collectively referred to herein as the “**Debtor**”); **AND UPON THE APPLICATION** The Bowra Group Inc., in its capacity as Licenced Insolvency Trustee of Chatur and Globe, pursuant to Section 49 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (“**BIA**”) (the “**Trustee**”); **AND UPON** noting that, on August 5, 2020, the Honourable Mr. Justice Mah granted an Order suspending all limitation periods applicable against the Receiver, Trustee, and the creditors of the Debtor to commence actions pursuant to the provisions of the BIA, the FPA, the Statute or any other provincial legislation or regulations in force in Alberta, Ontario or Canada to challenge, set aside or impugn any Questioned Transactions until March 5, 2021; **AND UPON** reading the Orders of Justice Dunlop granted March 2, 2021 and August 27, 2021, and the Order of Justice Mah granted on March 1, 2022 (together, the “**Order**”), the Trustee’s Fifth Report to the Court (the “**Fifth Report**”), filed in these proceedings; **AND UPON** noting that, prior to the commencement of these proceedings, property of the Debtor was transferred, charged or otherwise dealt with in circumstances which may give rise to transactions that could be challenged by the Trustee or creditors of the Debtor (the “**Questioned Transactions**”); **AND UPON** noting that further investigation is required in order to determine if the Trustee ought to apply to this

Honourable Court to set aside or otherwise impugn the Questioned Transactions; **AND UPON** noting that the Trustee's authority to challenge any of the Questioned Transactions is pursuant to sections 95-101 of the BIA, and Provincial legislation including, without limitation the *Fraudulent Preferences Act*, RSA 2000, c F-24 (the "**FPA**") and the *Statute of Elizabeth*, 1571 (UK), 13 Eliz I, C 5 (the "**Statute**"), and that creditors of the Debtor may have additional ability to challenge the Questioned Transactions under provincial or other legislation; **AND UPON** noting that it would be desirable to extend the suspension of the operation of all limitation periods until the economic benefit of challenging any of the Questioned Transactions can be determined; **AND UPON** hearing counsel for the Receiver and Trustee, counsel for the Debtor, and counsel for certain creditors of the Debtor; **AND UPON** being advised of the consent of counsel for Chatur, Globe, 895102 Alberta Ltd., Farhan Chatur, Nazir Javer, Feizal Chatur, Al-Karim Chatur, Salim Chatur, Amirali Chatur, Zarian Chatur And Nassim Chatur; **AND UPON** being advised by counsel for the Receiver and the Trustee of service of this Application and the Fifth Report;

IT IS HEREBY ORDERED AND ADJUDGED THAT:

1. Service of this Application and all materials in support, by the method described in the Affidavit of Service filed in support of this Application, is hereby deemed good and sufficient. No other person is required to be served with notice of this Application, the time for service of the said documents is abridged to the time actually given, and any requirement for further service is hereby dispensed with.
2. All limitation periods applicable against the Receiver, Trustee, and/or the creditors of the Debtor to commence actions pursuant to the provisions of the BIA, the FPA, the Statute or any other provincial legislation or regulations in force in Alberta, Ontario or Canada to challenge, set aside, or impugn any Questioned Transactions, continue to be suspended and tolled until March 5, 2023, except as may be extended by further Order of this Honourable Court.
3. The Fifth Report, and the activities of the Receiver and Trustee as described therein, are hereby ratified and approved.
4. 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 Trustee and the Receiver, and their respective agents, in carrying out the terms of this Order. All courts, tribunals, and regulatory and administrative bodies are hereby respectfully

requested to make such orders and to provide such assistance, to the Trustee and the Receiver, as may be necessary or desirable to give effect to this Order, or to assist the Trustee and the Receiver and their respective agents in carrying out the terms of this Order.

Justice of the Court of Queen's Bench of Alberta