



COURT FILE NUMBER 2503-06252

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

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

AND IN THE MATTER OF THE
INTERIM RECEIVERSHIP OF
MAHINDRA INVESTMENTS (AB) LTD.,
SURREY GOLD JEWELLERS (AB)
LTD. and MAHINDRA JEWELLERS
(AB) LTD. and BLUEWATER (786)
CONTRACTORS LTD.

PLAINTIFF ROYAL BANK OF CANADA

DEFENDANTS MAHINDRA INVESTMENTS (AB) LTD.,
MAHINDRA JEWELLERS (AB) LTD.,
SURREY GOLD JEWELLERS (AB)
LTD. and BLUEWATER (786)
CONTRACTORS LTD.

DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Gowling WLG (Canada) LLP
1600, 421 – 7th Avenue S.W.
Calgary, AB T2P 4K9

Telephone (403) 298-1000
Facsimile (403) 263-9193

File No. G10036389

Attention: Sam Gabor

Exhibit "A" to the Affidavit of
Jasdeep Chohan
Sworn before me this 2nd day
of April, 2025



A Commissioner for Oaths in
and for the Province of Alberta

ANDREW J. BITZ
Barrister & Solicitor
Notary Public and Commissioner
for Oaths in and for Alberta

Langley, Sherry

From: Gabor, Sam
Sent: April 2, 2025 2:08 PM
To: Bitz, Andrew
Subject: FW: MAHINDRA INVESTMENTS (AB) LTD.- Mortgage Payout Requests for March 28th- Our File 25-77194

From: Rocky Kim <rkim@axesslaw.com>
Sent: Saturday, March 29, 2025 5:47 PM
To: Chohan, Jessica (She/Her/Hers) <jessica.chohan@rbc.com>
Cc: Kayla Hall <khall@axesslaw.com>; Keith Yeung <kyeung@axesslaw.com>
Subject: Re: MAHINDRA INVESTMENTS (AB) LTD.- Mortgage Payout Requests for March 28th- Our File 25-77194

[External]/[Externe]

Thanks Jessica.

The urgency is the clients are near insolvency and intend on starting to liquidate their portfolio as their current burn rate makes opening up new stores in the subject properties likely impossible. As your payout statement clearly indicates, they have far surpassed their approved credit limit and they have additionally taken on unsecured debt.

The intend on liquidating non-core and non-performing assets off their balance sheet as their existing per diem is significant and likely not manageable even in the best circumstances.... Additionally, the intended buyers have expressed urgency, otherwise they do not intend on proceeding. I have requested that we circle back next week.

I answered your questions below in red.

On Fri, Mar 28, 2025 at 1:10 PM Chohan, Jessica (She/Her/Hers) <jessica.chohan@rbc.com> wrote:

Hi Rocky,

This has all come on quite quickly and the deals I was given were papered up last October and were supposed to have closed December 2024 so I'm unclear where the sudden urgency has arisen? The deal structure you presented yesterday also sounds different from the one you sent on Wednesday, so I'm somewhat confused by that as well. Can you provide some clarity? **There are two separate transactions, and two different groups - one group intends on buying 5 subject properties as soon as possible, a second has agreed to purchase 2 units (I was unsure if this deal would be proceeding until the broker confirmed to me it was).**

To consider yesterday's request, I'm going to need some time to do an analysis of all of the properties, their FMV and RBC's current security position. Please provide copies of any recent appraisals for subject properties as that

would be very helpful. **We do not have recent ones, but I believe the purchasers, if they are obtaining mortgage financing likely have appraisals on the subject properties so we have requested the same.**

Can you also send me current inventory listings for Mahindra Jewellers (AB) and Surrey Gold (AB)? **I do not have this available, but can request it.**

They have guaranteed Investments' debt and have given GSAs. I'm going to need to consider RBC's security position for the inventory as well. **Noted.**

Also, can you please let me know who is this other creditor you're speaking of? Can you share details with me? **There is a second lender on the two units I referenced below, it is a private lender. The clients have a few unsecured lenders as well.**

Once I receive this info, I can review it and consider everything and then, if RBC is agreeable, I would then need to seek internal approval. **Noted thank you.**

Thank you,

Jessica

From: Rocky Kim <rkim@axesslaw.com>
Sent: Thursday, March 27, 2025 2:25 PM
To: Chohan, Jessica (She/Her/Hers) <jessica.chohan@rbc.com>
Cc: Kayla Hall <khall@axesslaw.com>; Keith Yeung <kyeung@axesslaw.com>
Subject: Re: MAHINDRA INVESTMENTS (AB) LTD.- Mortgage Payout Requests for March 28th- Our File 25-77194

[External]/[Externe]

Hi Jessica,

I received confirmation today that the two 4310 units (2138 and 2142) have a firm sale with an anticipated closing date of April 15th. With ideally a net pay down to RBC of \$1.1M from sale proceeds, balance to second creditor + fees. As you mentioned RBC is cross secured so the principle of marshalling would apply and we ask that you only accept the face value of the security or obligations attributable to the subject properties + arrears on these units, being approximately \$1.1M.

With the two transactions completing imminently (ideally early next week and April 15) RBC will net a pay down of \$3.3M approximately, with the balance of approximately \$2.1M secured over high river and 133. To be frank, there should be satisfactory equity in the remaining properties and the undertaking of enforcing over two properties as opposed to 10, alone, should be a significant factor for RBC to consider the alternative we are proposing...

The fees and time required to enforce your security over 10 properties is significant and would lead to a litany of protracted litigation as we are proposing a very very reasonable solution with a near immediate paydown of over 50% of the outstanding balance in arrears. There is significant equity and the usual redemption period of 6 months will be granted to our client nonetheless, so I see this as an equitable solution for all parties.

I kindly ask that you provide us a confirmation and formal payout statement for the units above mentioned by end of day Friday with email acknowledgement they are to follow ideally by today. If RBC has already assigned this file to counsel please provide us their contact points as soon as possible as, if either buyer group withdraws... the accruing interest and damages would be significant to our client.

All the best,

On Wed, Mar 26, 2025 at 2:24 PM Rocky Kim <rkim@axesslaw.com> wrote:

Hi Jessica, the value of the sales were to formalize the FMV of the units, the cash consideration on the closing will be approximately \$2.2M and the net balance above this will be granted as loan forgiveness credited towards an outstanding balance the vendor/clients have with the buyer.

Nonetheless, the other retained units are all currently in different pending stages of sales and will result in RBC receiving full payout in due course.

On Wed, Mar 26, 2025 at 2:19 PM Chohan, Jessica (She/Her/Hers) <jessica.chohan@rbc.com> wrote:

Hi Rocky,

Can you clarify – the PSA’s that were sent were showing total sales proceeds of \$3.9MM (\$2.2MM for units 171, 175, 179 plus \$1.7MM for units 3118, 3122), how does that reconcile to the \$2.2MM for all 5 properties from the subordinate creditor?

Thank you

Jessica

From: Rocky Kim <rkim@axesslaw.com>

Sent: Wednesday, March 26, 2025 2:39 PM

To: Chohan, Jessica (She/Her/Hers) <jessica.chohan@rbc.com>

Cc: Kayla Hall <khall@axesslaw.com>; Keith Yeung <kyeung@axesslaw.com>

Subject: Re: MAHINDRA INVESTMENTS (AB) LTD.- Mortgage Payout Requests for March 28th- Our File 25-77194

[External]/[Externe]

Hi Jessica,

Hope all is well, the borrower/client is looking for a partial payout and discharge agreement.

Clients would be looking to discharge the below and retain the balance (subject to pending sales, clients looking to liquidate just about all their Alberta holdings). They have a subordinate creditor who is willing to tender approximately \$2.2M near immediately (they want to close before the end of month) in exchange for the 5 subject properties listed and loan forgiveness.

Given the precariousness of the situation although RBC is an institutional lender, we would like a formal payout outlining the discharge of the five subject properties in exchange for a \$2.2M paydown prior to March 31st.

If RBC refuses, we can test the market and attempt to list... but that may take some time. Nonetheless, RBC's outstanding balance will be approximately \$3.2M which would remain secured against the retained units + the GSA. The remaining units will likely be sold soon with RBC obtaining a full payout.

If RBC disagrees, that is understandable, however it may result in undue delay. On a side note, the clients suggested the spreadsheet you provided may have incorrectly allocated the security vs. the property, nonetheless all we need to know is, will RBC release the below properties for \$2.2M.

Hope the above makes sense. Happy to discuss further.

Subject:
171
175
179
3122
3118
Retained:
9258
133 5th Ave Highriver
2138
2142

All the best,

On Wed, Mar 26, 2025 at 12:52 PM Chohan, Jessica (She/Her/Hers) <jessica.chohan@rbc.com> wrote:

Hi Kayla,

Can you clarify what other debts are to be paid and discharged from title for these units?

Would you happen to be referred to condo corporation arrears and property taxes? A breakdown of the debts that need to be deducted from the sales proceeds from each purchase agreement would be appreciated.

RBC's security interests include a 1st ranking collateral mortgage and a GSA over these properties. All sales proceeds are to be remitted to RBC first for application to outstanding credit. At this time we do not agree to discharging any of our security interests.

Jessica

Jessica Chohan CPA, CA CISA|Sr. Manager, GRM - SLAS| 24th Fl, 335 8th Avenue SW, Calgary, AB T2P 1C9|M: 403-389-4599|RBC Royal Bank of Canada



Be kind, we're all going through something

From: Kayla Hall <khall@axesslaw.com>
Sent: Wednesday, March 26, 2025 1:45 PM
To: Chohan, Jessica (She/Her/Hers) <jessica.chohan@rbc.com>
Cc: Keith Yeung <kyeung@axesslaw.com>; Rocky Kim <rkim@axesslaw.com>
Subject: Re: MAHINDRA INVESTMENTS (AB) LTD.- Mortgage Payout Requests for March 28th- Our File 25-77194

[External]/[Externe]

Hi Jessica,

There is not sufficient funds to pay loans across all properties, there are other debts to be paid and discharged from title, only the properties being sold at this time. There are separate loan numbers and registration

numbers, I am not clear on as to why all properties/loans would need to be paid as one? Please advise if we can proceed to pay the balances on the subject properties being sold and discharge the said properties.

Kayla Hall

Team Lead - Paralegal

Axess Law (a.k.a L. Koke Professional Corporation)

Address: 5940 Macleod Trail SW Suite 500, Calgary, AB T2H 2G4

Direct: (403) 775 0006

Fax: (403) 538 6597

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On Wed, Mar 26, 2025 at 1:40 PM Chohan, Jessica (She/Her/Hers) <jessica.chohan@rbc.com> wrote:

Hi Kayla,

RBC retains a 1st position collateral mortgage and GSA against these properties. Please confirm the net proceeds will be remitted to RBC.

Thank you

Jessica

From: Kayla Hall <khall@axesslaw.com>

Sent: Wednesday, March 26, 2025 11:53 AM

To: Chohan, Jessica (She/Her/Hers) <jessica.chohan@rbc.com>

Cc: Keith Yeung <kyeung@axesslaw.com>

Subject: Re: MAHINDRA INVESTMENTS (AB) LTD.- Mortgage Payout Requests for March 28th- Our File 25-77194

[External]/[Externe]

Thank you Jessica, we are only closing sales on loan #s 76969055 013, 76969055 014 and 76969055 015 (properties 3122 & 3118- 4310 104 Ave and 171, 175, 179- 5120 47 St)

I am not too familiar with this layout, can you please confirm that we can payout and discharge partially from the sale properties only and not all properties? And confirm the payout amount and per diem for those properties specifically so there is no confusion? The highlighted balance seems to be for all properties/ entities rather than those which are being sold?

Kayla Hall

Team Lead - Paralegal

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On Wed, Mar 26, 2025 at 11:31 AM Chohan, Jessica (She/Her/Hers) <jessica.chohan@rbc.com> wrote:

Good morning Kayla,

Please see attached payout statement as requested. These properties are secured as cross collateral for the operating entities.

Thank you

Jessica

From: Kayla Hall <khall@axesslaw.com>
Sent: Wednesday, March 26, 2025 9:32 AM
To: Chohan, Jessica (She/Her/Hers) <jessica.chohan@rbc.com>
Cc: Janina Manalad <jmanalad@axesslaw.com>
Subject: Re: MAHINDRA INVESTMENTS (AB) LTD.- Mortgage Payout Requests for March 28th- Our File 25-77194

[External]/[Externe]

Hi,

I have never been asked for the contracts to obtain a payout statements before, is this a normal commercial procedure? They are attached here.

Thank you,

Kayla Hall

Team Lead - Paralegal

Axess Law (a.k.a L. Koke Professional Corporation)

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On Wed, Mar 26, 2025 at 6:59 AM Chohan, Jessica (She/Her/Hers) <jessica.chohan@rbc.com> wrote:

Hi Kayla,

Can you provide me with copies of the purchase agreements?

Thank you

Jessica

From: Kayla Hall <khall@axesslaw.com>
Sent: Tuesday, March 25, 2025 4:35 PM
To: Chohan, Jessica (She/Her/Hers) <jessica.chohan@rbc.com>
Cc: Janina Manalad <jmanalad@axesslaw.com>
Subject: Re: MAHINDRA INVESTMENTS (AB) LTD.- Mortgage Payout Requests for March 28th- Our File 25-77194

Thank you, Jessica! We look forward receipt.

Kayla Hall

Team Lead - Paralegal

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On Tue, Mar 25, 2025 at 1:12 PM Chohan, Jessica (She/Her/Hers) <jessica.chohan@rbc.com> wrote:

Hi Kayla – please direct all your queries regarding this matter to me

We will revert back to you shortly on this request

Jessica

From: Kayla Hall <khall@axesslaw.com>

Sent: Tuesday, March 25, 2025 10:24 AM

To: Toronto BSC - Commercial Royfarm Mortgages <tbccm@rbc.com>

Cc: Chohan, Jessica (She/Her/Hers) <jessica.chohan@rbc.com>; Janina Manalad <jmanalad@axesslaw.com>

Subject: Re: MAHINDRA INVESTMENTS (AB) LTD.- Mortgage Payout Requests for March 28th- Our File 25-77194

[External]/[Externe]

Good morning!

Further to the request, I am adding here the other request for the same clients, another property, also closing March 28th.

Thank you.

Kayla Hall

Team Lead - Paralegal

Axess Law (a.k.a L. Koke Professional Corporation)

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On Tue, Mar 25, 2025 at 10:17 AM Toronto BSC - Commercial Royfarm Mortgages <tbscm@rbc.com> wrote:

Hi Jessica,

Please see request for a payout statement from the lawyer's office.

Please have a CART created under business loans category so the correct team can assist.

Thank you

Michael | Operations Officer - Commercial Loans & Mortgages | RBC | Business Lending Origination Group (BLOG) | 36 York Mills Road, 4th Floor, Toronto

From: Kayla Hall <khall@axesslaw.com>
Sent: Tuesday, March 25, 2025 12:11 PM
To: Toronto BSC - Commercial Royfarm Mortgages <tbccm@rbc.com>
Cc: Janina Manalad <jmanalad@axesslaw.com>
Subject: MAHINDRA INVESTMENTS (AB) LTD.- Mortgage Payout Requests for March 28th- Our File 25-77194

[External]/[Externe]

Good morning,

Please see attached urgent requests.

Thank you.

Kayla Hall

Team Lead - Paralegal

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Rocky Kim*

Lawyer, British Columbia and Alberta

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Rocky Kim*

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Rocky Kim*

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