

COURT FILE NUMBER **2403-05996**

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

PLAINTIFF **ROYAL BANK OF CANADA**

Clerk's Stamp

DEFENDANTS **BEREKET & G HOLDINGS CORP., HABESHA
AFRICAN SUPERMARKET LTD., and SEMERE
BERHANE**

DOCUMENT **AFFIDAVIT IN SUPPORT OF RECEIVER
AND MANAGER**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION
OF PARTY FILING
THIS DOCUMENT

Jack R. Maslen / Myles Fish
Borden Ladner Gervais LLP
1900, 520 3rd Ave. S.W.
Calgary, AB T2P 0R3
Telephone: (403) 232-9790 / 9764
Facsimile: (403) 266-1395
Email: jmaslen@blg.com / mfish@blg.com
File No. 404600.001199

AFFIDAVIT OF JESSICA CHOHAN

SWORN ON JULY 15, 2024

I, **JASDEEP (JESSICA) CHOHAN**, of the City of Calgary, in the Province of Alberta, MAKE OATH
AND SAY THAT:

1. I am a Senior Manager in the Special Loans and Advisory Services group for the Plaintiff/Applicant, Royal Bank of Canada ("RBC"). I am presently responsible for the administration of the within account. As such, I have personal knowledge of the matters and facts hereinafter sworn to, except where stated to be based on information and belief, and where so stated, I verily believe the same to be true.
2. I make this Affidavit in support of an Application to, among other things, appoint BDO Canada Limited ("BDO") as receiver and manager, without security (in such capacity, the "Receiver"), over all of the current and future assets, undertakings and properties of the Defendant Habesha

African Supermarket Ltd. (the “**Property**”). The Property includes various inventory and equipment used in relation to a grocery store and market in Edmonton. I swear this Affidavit further to the initial Affidavit I swore in this Action on March 26, 2024 (the “**First Affidavit**”).

3. In particular, my First Affidavit was sworn in support of a receivership application in respect of the Defendant, Bereket & G Holdings Corp. (“**Bereket**”). This Court granted that application and pronounced a Receivership Order on April 4, 2024 in this Action (the “**Receivership Order**”). BDO is the existing court-appointed receiver over all of the property of Bereket.
4. I now provide this Affidavit in support of an Application to amend the existing Receivership Order to also include all the Property of the Defendant Habesha African Supermarket Ltd. (“**Habesha**”).
5. I am authorized to make this Affidavit on behalf of RBC.

I. THE PARTIES

Royal Bank of Canada

6. As I’ve already noted in my First Affidavit, RBC is a chartered bank incorporated under the *Bank Act*, SC 1991, c 46, Schedule I, which is extra-provincially registered to carry on business in the Province of Alberta, with branches located in the City of Edmonton and elsewhere throughout the Province of Alberta and Canada.

The Defendants

7. As is also more fully described in my First Affidavit, Bereket is the registered owner of lands legally described as:

PLAN B4
BLOCK 4
LOT 239
EXCEPTING THEREOUT ALL MINES AND MINERALS

PLAN B4
BLOCK 4
LOT 240
EXCEPTING THEREOUT ALL MINES AND MINERALS

PLAN B4
BLOCK 4
LOT 241
EXCEPTING THEREOUT ALL MINES AND MINERALS

and municipally described as 10418 107 Ave NW, Edmonton, Alberta, T5H 0W1 (the “**Lands**”).

8. The Defendant, Habesha, is a corporation incorporated pursuant to the laws of the Province of Alberta, with its registered office in Edmonton, Alberta. Habesha operates a supermarket within a two-storey commercial/retail building on the Lands, which is named the “Habesha African Market”.
9. The Defendant Semere Berhane (“**Berhane**”) is the sole director and sole shareholder of both Bereket and Habesha.

II. LOAN AND THE SECURITY

10. As set out in my First Affidavit, RBC obtained various security from each of Bereket, Habesha, and Berhane in connection with a non-revolving term loan facility advanced by RBC to Bereket in the principal sum of \$2,552,046.05 and interest thereon at 7.51% per annum, payable monthly until maturity on March 6, 2024 (the “**Loan**”).
11. The security obtained from Habesha includes:
 - (a) A Guarantee and Postponement of Claim dated January 22, 2018, exhibited as Exhibit “I” to my First Affidavit (the “**Guarantee**”); and
 - (b) A first-ranking general security agreement, exhibited as Exhibit “K” to my First Affidavit (the “**Habesha GSA**”).
12. Pursuant to the Guarantee, Habesha’s liability for amounts owing under the Loan and Mortgage is limited to the principal sum of \$2,812,500.00 plus interest on such principal sum computed from the date of demand at a rate equal to RBC’s prime interest rate plus 5% per annum, and all legal costs incurred by RBC in enforcing the Guarantee.
13. The Habesha GSA was given as security for Habesha’s obligations to RBC under the Guarantee. Through the Habesha GSA, Habesha granted to RBC a security interest in all of its present and after-acquired personal property and proceeds therefrom, and all accretions thereto and substitutions therefor. RBC duly registered its security interest under the Habesha GSA with the PPR as a first charge. Attached hereto and marked as **Exhibit “A”** is a true copy of an updated PPR search report for Habesha dated July 10, 2024.

14. Upon a default by Habesha under the terms of the Habesha GSA, RBC is entitled to, among other things: (i) appoint a receiver to take possession of, preserve, and realize upon the collateral; and (ii) recover payment of all costs, charges and expenses incurred by RBC or its receiver in enforcing the Habesha GSA on a solicitor and its own client basis.

III. DEFAULTS AND DEMANDS

Initial Defaults and Demands

15. As noted in my First Affidavit, Bereket failed to repay the Loan by its maturity date, or at all.
16. Accordingly, on March 13, 2024, RBC issued demands and Notices of Intention to Enforce Security (“**NOI**”) to the Defendants, including a demand for repayment to Habesha pursuant to the Guarantee (the “**Habesha Demand**”), and an NOI (the “**Habesha NOI**”), as exhibited at Exhibit “N” to my First Affidavit. Despite the Habesha Demand and Habesha NOI, the Defendants, including Habesha, failed to pay the amounts outstanding within the 10 days specified therein or otherwise. Accordingly, Habesha defaulted on its obligations under the Guarantee and Habesha GSA.
17. Further, as noted in my First Affidavit, Habesha has defaulted under its security agreements with RBC by failing to pay amounts owing by it to the Alberta Workers’ Compensation Board (the “**WCB**”), as evidenced by correspondence received by RBC on January 31, 2024 attached as Exhibit “P” to my First Affidavit (the “**WCB Demand**”) and the PPR search results attached hereto as **Exhibit “A”**.
18. As of July 15, 2024, the total amount owing under the Guarantee to RBC is \$2,645,504.09, with interest, legal fees and other chargeable costs continuing to accrue thereon (the “**Indebtedness**”). Attached hereto and marked as **Exhibit “B”** is a copy of RBC’s statement showing the amount due under the Guarantee, dated July 15, 2024.

Non-Cooperation and Further Defaults by Habesha

19. Since the Receivership Order, RBC and the Receiver have attempted to work with Habesha as an occupant of the Lands under the control of the Receiver of Bereket. However, several problems have arisen.

20. In particular, Habesha has continued to operate its grocery store/market since the Receivership Order, although it has been operating without a formal written lease agreement. I am informed by Breanne Scott of BDO, and do verily believe, that the Receiver prepared and submitted a proposed form of lease agreement to Habesha, and further provided Habesha with a deadline of June 5 to execute the lease agreement. However, Habesha has to date failed to execute the proposed lease agreement or otherwise propose other lease terms to formalize its tenancy on the Lands.
21. I am further advised by Breanne Scott of BDO, and do verily believe, that significant amounts of garbage and stockpiled inventory have been left in and around the building on the Lands. Despite a request from the Receiver to Habesha and Berhane that the garbage be cleaned up by June 5, inadequate cleanup has taken place. I am advised by Ms. Scott that the property remains in a similar unclean state as it was when the demand for a cleanup was initially issued. Attached hereto and marked as **Exhibit "C"** are photos taken on April 16, 2024 from around the Lands which, I am advised by Ms. Scott, continue to be representative of the state of the property.
22. Additionally, in late May and early June, RBC sought the cooperation of Habesha in relation to an inventory count and property valuation. RBC did so in an attempt to obtain an understanding of the value of its security interest in Habesha's personal property, and in an attempt to potentially avoid a receivership of Habesha. Accordingly, RBC's counsel engaged with counsel for Habesha to facilitate these efforts up until June 6, when Habesha's counsel indicated that he would no longer be representing Habesha or its related parties. Thereafter, RBC's counsel sought to communicate directly with Mr. Berhane to have him execute the required consent to conduct the inventory count and property valuation on behalf of Habesha. Mr. Berhane has never responded and, accordingly, no inventory count and valuation has been conducted. Attached hereto and marked as **Exhibit "D"** is a true copy of the relevant email chain.

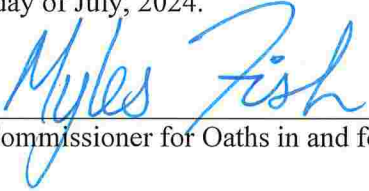
IV. NEED FOR A RECEIVER OVER HABESHA

23. In light of the foregoing, RBC seeks to expand the existing Receivership Order, and for this Court to appoint BDO as Receiver also over Habesha's Property. Among other things, I note that:
 - (a) RBC is a first-ranking secured lender of Habesha, has contractual rights to appoint a receiver under the Habesha GSA, and is contractually entitled to exercise such rights as a result of, *inter alia*, Habesha's failure to fulfill its obligations under the Guarantee;

- (b) Habesha is an insolvent person by virtue of its failure and inability to pay amounts demanded under the Habesha Demand;
- (c) Habesha has further failed to provide RBC with up-to-date financial statements, in breach of its covenants under the Habesha GSA. In any case, Habesha's most recent financial statements for the year-ended December 31, 2022 (which were only provided to RBC in February 2024) indicate that Habesha is insolvent on a balance sheet basis. Attached hereto and marked as **Exhibit "E"** is a copy of the Habesha Financial Information for the Year Ended December 31, 2022 report compiled by Jaberson & Associates Professional Tax Advisor. Consolidated financial statements for Habesha and Bereket combined for the year-ended April 30, 2023, as attached hereto and marked as **Exhibit "F"**, further indicate that Habesha and Bereket together are also insolvent on a balance sheet basis;
- (d) As noted, Habesha has allowed garbage and debris to be strewn across the Lands, and I understand from Breanne Scott of BDO that the sales agent appointed to market and sell the Lands by Court Order dated June 11, 2024 in this Action (along with other sales agents contacted by the Receiver through its RFP Process) has indicated that the marketing of the Lands will be made more effective if the Lands and building thereon are cleared of garbage and stockpiled inventory. RBC has lost faith and confidence in Habesha to effect such a cleanup, given its failures to do so up to this point, and Habesha's inactivity is damaging to RBC's overall security position;
- (e) RBC has lost faith and confidence in the management of Habesha to prudently or adequately protect RBC's first-ranking security interest in the Property. Specifically, Berhane, as the mind and management of Habesha, has allowed the WCB Demand to be registered against Habesha. Further, Berhane's failure to cooperate and communicate with RBC and the Receiver in relation to the requested inventory count/valuation and formalization of a written lease agreement, respectively, call into serious doubt Berhane's willingness and ability to protect RBC's interests, and pose a serious risk to RBC's position as first-ranking secured creditor of both Habesha and Bereket, jeopardize the sale of the Lands, and necessitate the appointment of an independent court officer; and
- (f) Habesha has not defended this Action and was accordingly noted in default on May 2, 2024.

24. In short, I do verily believe that a Receiver is just and convenient and necessary to prevent further risk, loss and/or prejudice to RBC and its security.
25. BDO has consented to act as receiver and manager in respect of the Habesha Property, is a licensed insolvency trustee, and is already the Receiver of Bereket and therefore the appropriate person to be appointed as Receiver of Habesha.
26. I make this Affidavit in support of an application by RBC for an Order appointing BDO as the Receiver of the Property, and for no other purpose.

SWORN BEFORE ME at Calgary, Alberta, this)
15th day of July, 2024.)



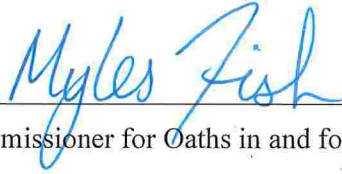
A Commissioner for Oaths in and for Alberta)



JASDEEP (JESSICA) CHOHAN

MYLES J. FISH
A Commissioner for Oaths
in and for Alberta
Lawyer, Notary Public

This is Exhibit "A" referred to
in the Affidavit of Jasdeep (Jessica) Chohan
Sworn before me this 15th day of July, 2024.

A handwritten signature in blue ink that reads "Myles Fish". The signature is written in a cursive style and is positioned above a horizontal line.

A Commissioner for Oaths in and for Alberta

MYLES J. FISH
A Commissioner for Oaths
in and for Alberta
Lawyer, Notary Public

Search ID #: Z17579917

Transmitting Party

BORDEN LADNER GERVAIS LLP

Centennial Place, East Tower
1900, 520-3rd Avenue SW
CALGARY, AB T2P 0R3

Party Code: 50008002
Phone #: 403 232 9500
Reference #: 404600-001199

Search ID #: Z17579917

Date of Search: 2024-Jul-10

Time of Search: 15:15:33

Business Debtor Search For:

HABESHA AFRICAN SUPERMARKET LTD.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z17579917

Business Debtor Search For:

HABESHA AFRICAN SUPERMARKET LTD.

Search ID #: Z17579917

Date of Search: 2024-Jul-10

Time of Search: 15:15:33

Registration Number: 18011222085

Registration Date: 2018-Jan-12

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2028-Jan-12 23:59:59

Exact Match on:

Debtor

No: 1

Amendments to Registration

22122218116

Renewal

2022-Dec-22

Debtor(s)

Block

Status

1 HABESHA AFRICAN SUPERMARKET LTD.
101 10301 109 STREET
EDMONTON, AB T5J 1N4

Current

Secured Party / Parties

Block

Status

1 ROYAL BANK OF CANADA
36 YORK MILLS ROAD, 4TH FLOOR
TORONTO, ON M2P 0A4

Current

Collateral: General

Block

Description

Status

1 ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY

Current

Search ID #: Z17579917

Business Debtor Search For:

HABESHA AFRICAN SUPERMARKET LTD.

Search ID #: Z17579917

Date of Search: 2024-Jul-10

Time of Search: 15:15:33

Registration Number: 23070302264

Registration Date: 2023-Jul-03

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2026-Jul-03 23:59:59

Exact Match on:

Debtor

No: 2

Amendments to Registration

23070609610

Amendment

2023-Jul-06

Debtor(s)**Block**

1 HABESHA AFRICAN SUPERMARKET LT
10418 107 AVE NW
EDMONTON, AB T5H0W1

Status

Deleted by
23070609610

Block

2 HABESHA AFRICAN SUPERMARKET LTD
10418 107 AVE NW
EDMONTON, AB T5H0W1

Status

Current by
23070609610

Secured Party / Parties**Block**

1 HONDA CANADA FINANCE INC.
180 HONDA BLVD
MARKHAM, ON L6C0H9
Email: albertaprod@teranet.ca

Status

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	5J8TC2H66PL804144	2023	ACURA RDX	MV - Motor Vehicle	Current

Search ID #: Z17579917

Business Debtor Search For:

HABESHA AFRICAN SUPERMARKET LTD.

Search ID #: Z17579917

Date of Search: 2024-Jul-10

Time of Search: 15:15:33

Registration Number: 23091416888

Registration Type: WORKERS' COMPENSATION BOARD CHARGE

Registration Date: 2023-Sep-14

Registration Status: Current

Registration Term: Infinity

The WCB Charge Amount is \$1,418.75

Exact Match on:

Debtor

No: 1

Amendments to Registration

23112314961

Amendment

2023-Nov-23

Debtor(s)**Block****Status**

1 HABESHA AFRICAN SUPERMARKET LTD.
10418 107 AVE NW
EDMONTON, AB T5H 0W1

Current

Secured Party / Parties**Block****Status**

1 WORKERS' COMPENSATION BOARD/COLLECTION UNIT
9912 107 STREET
EDMONTON, AB T5K 1G5
Phone #: 780 509 1395 Fax #: 780 498 7999

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	5J8TC2H66PL804144	2023	ACURA RDX	MV - Motor Vehicle	Current By 23112314961

Collateral: General**Block****Description****Status**

1 ALL PRESENT AND AFTER-ACQUIRED PROPERTY AND ALL PROPERTY USED IN
CONNECTION, PURSUANT TO WCB ACT S129

Current

Search ID #: Z17579917

Particulars

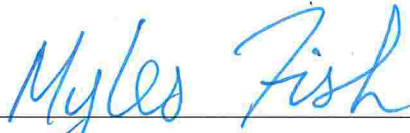
<u>Block</u>	<u>Additional Information</u>
1	WCB ACCOUNT #8604860

Status

Current

Result Complete

This is Exhibit "B" referred to
in the Affidavit of Jasdeep (Jessica) Chohan
Sworn before me this 15th day of July, 2024.



A Commissioner for Oaths in and for Alberta

MYLES J. FISH
A Commissioner for Oaths
in and for Alberta
Lawyer, Notary Public



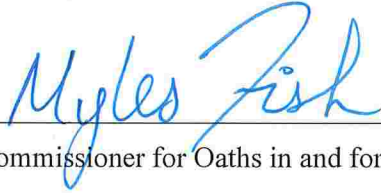
RBC
Royal Bank

July 15, 2024

Calculation for the current amount owing under the Guarantee:

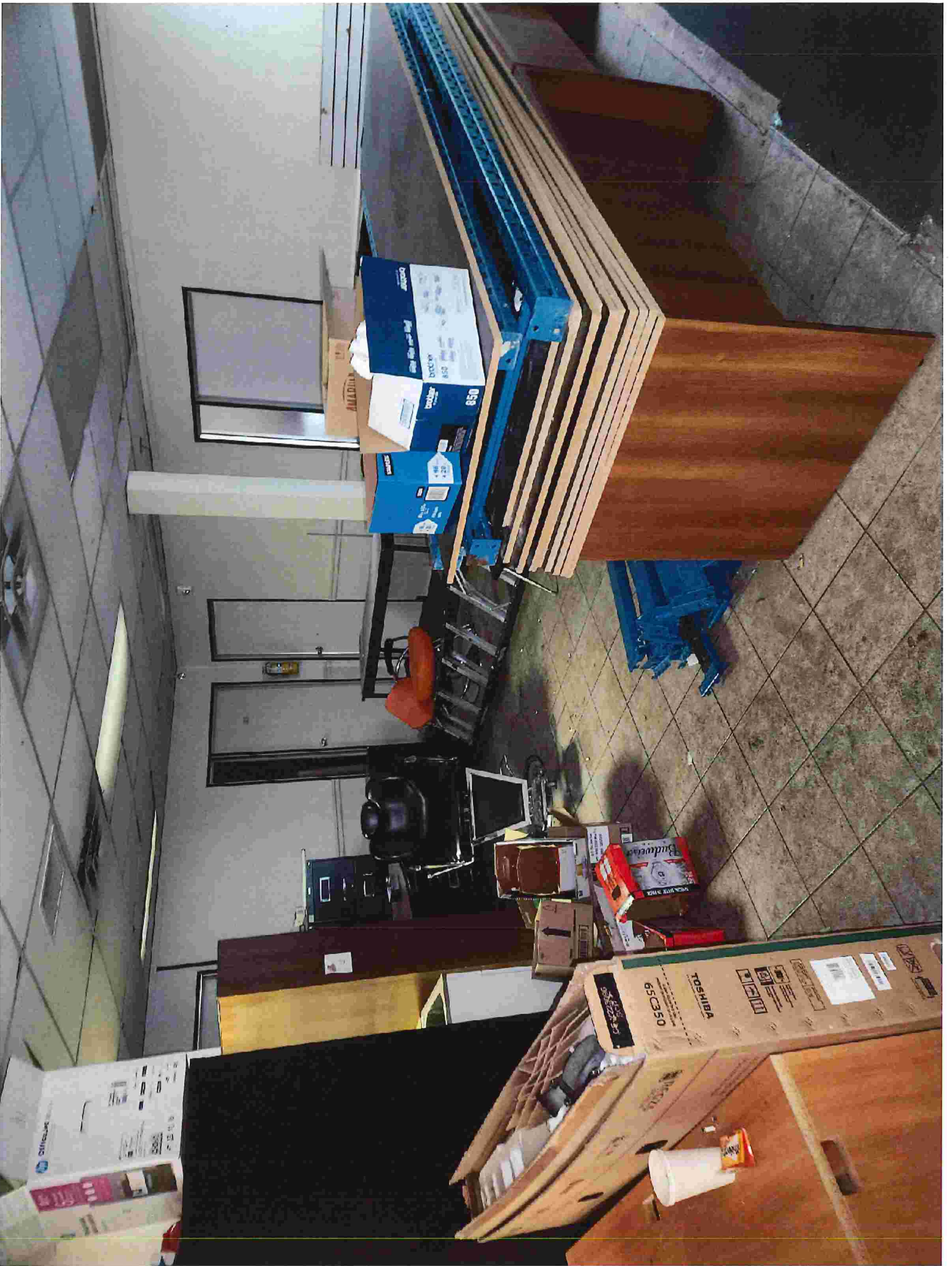
\$2,534,212.80 (amount owing as at March 7, 2024)	\$ 2,534,212.80
+ \$3,110.70 (per diem amount of \$518.45 x 6 for March 8-13, 2024)	\$ 3,110.70
\$2,537,323.50	\$ 2,537,323.50
+ interest from March 13, 2024, to July 15, 2024 on this amount at RBC prime+5%	\$ 71,389.79
+ RBC's costs to enforce.	\$ 6,790.80
	<u>\$ 2,645,504.09</u>

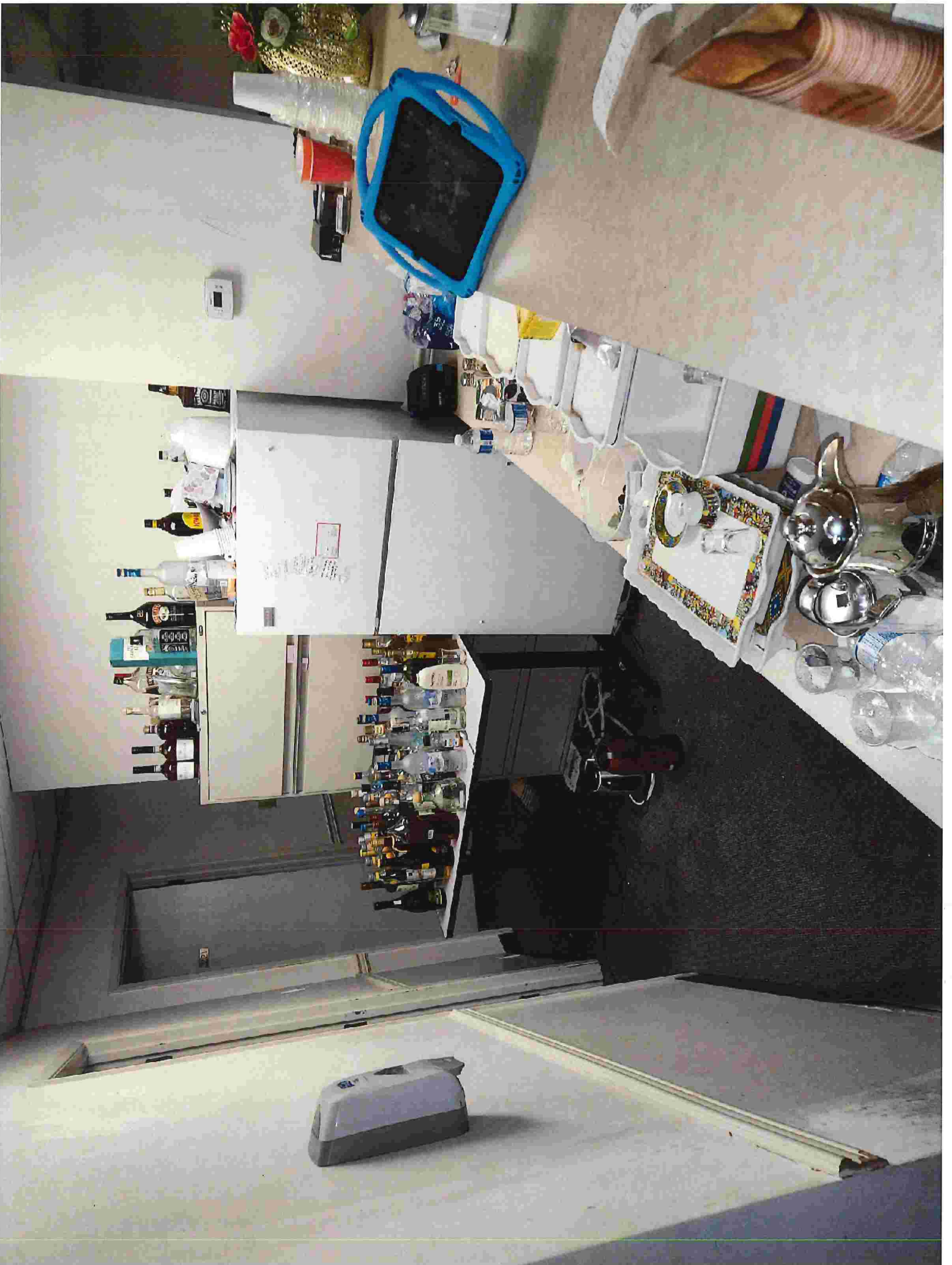
This is Exhibit "C" referred to
in the Affidavit of Jasdeep (Jessica) Chohan
Sworn before me this 15th day of July, 2024.



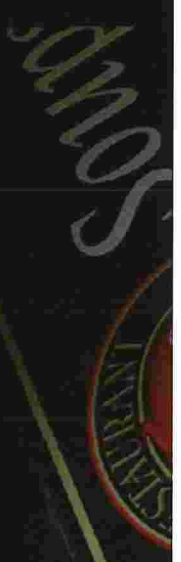
A Commissioner for Oaths in and for Alberta

MYLES J. FISH
A Commissioner for Oaths
in and for Alberta
Lawyer, Notary Public



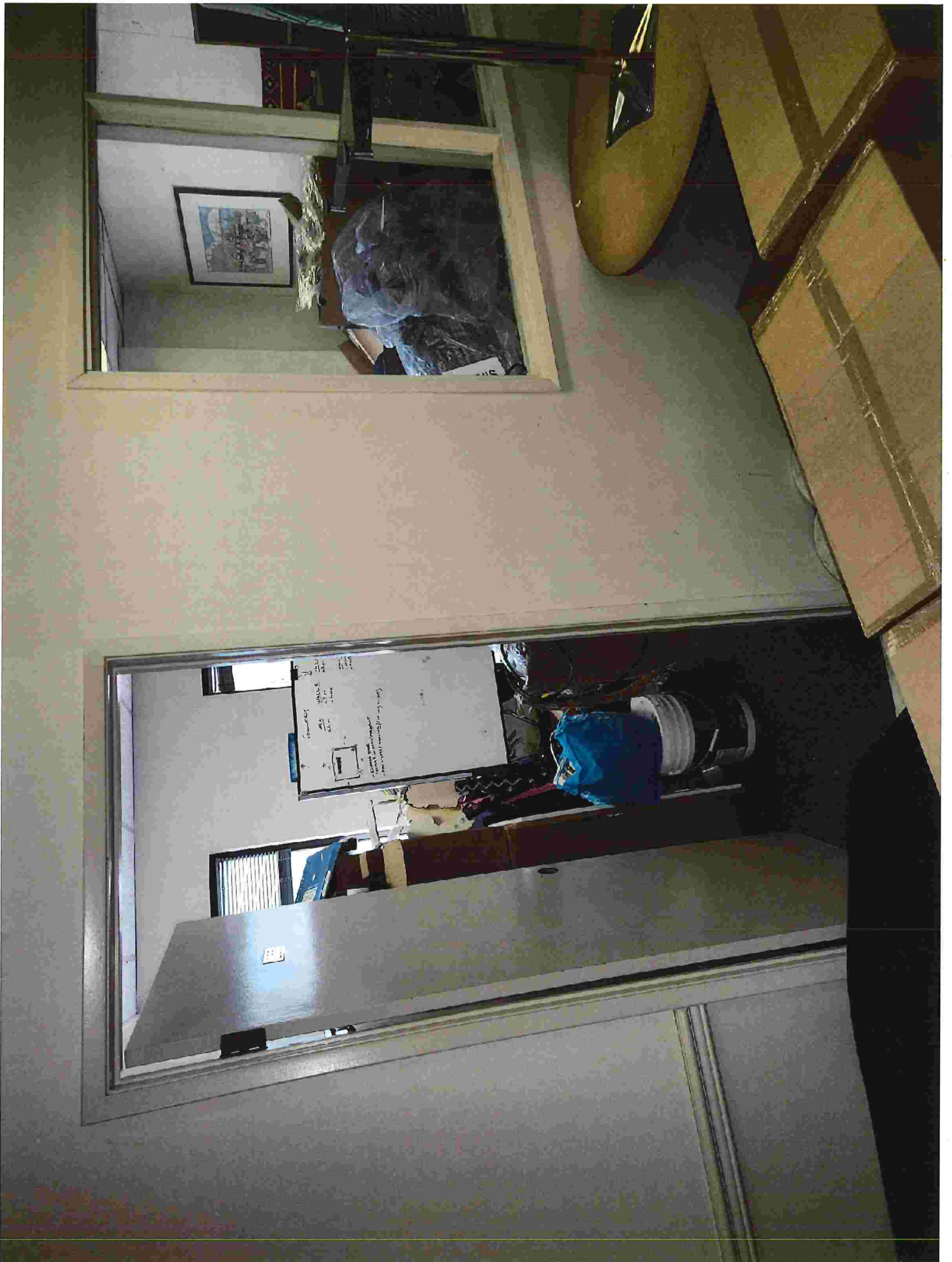


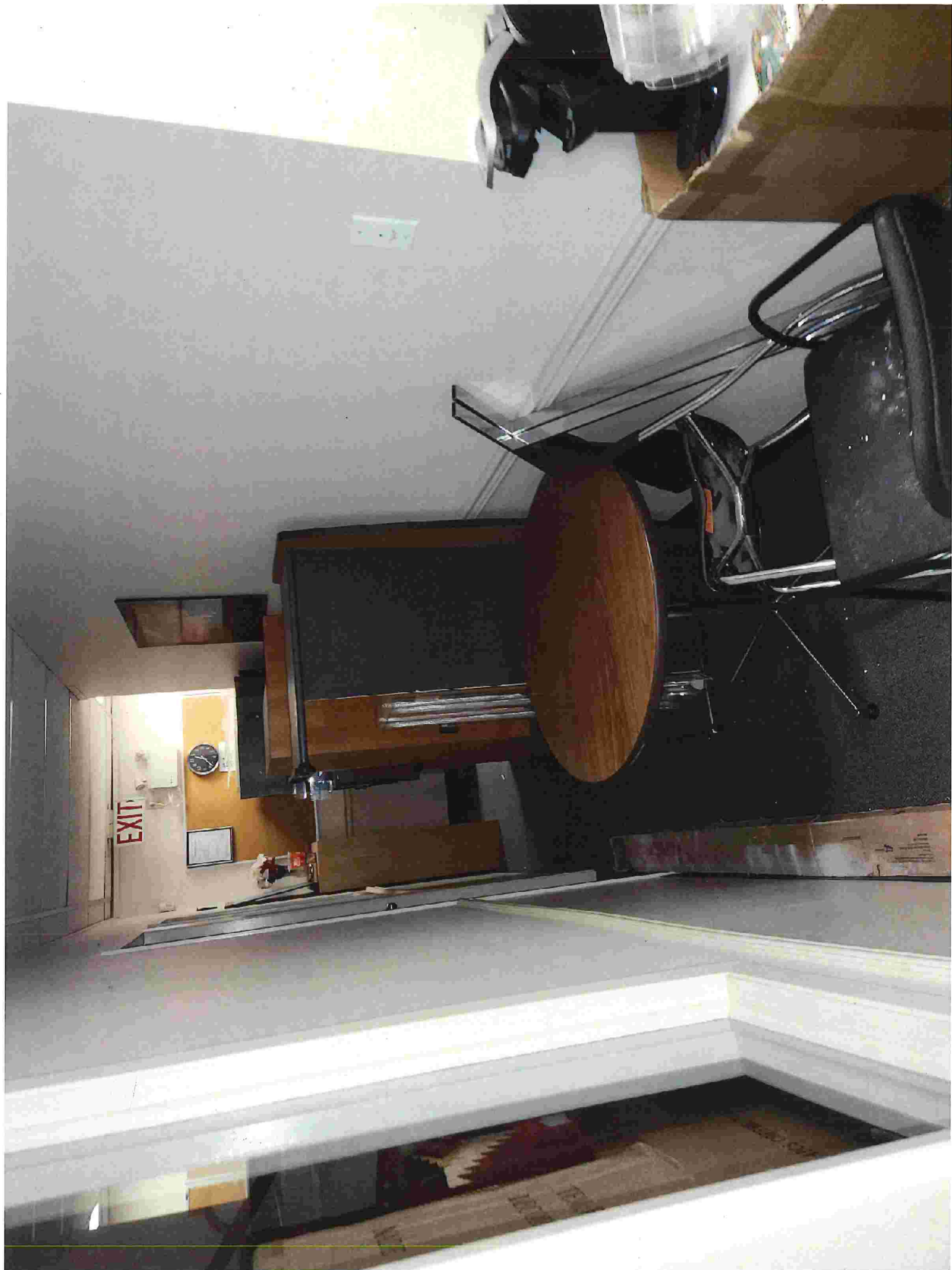
227











4PCS COFFEE/TEA TABLE SET

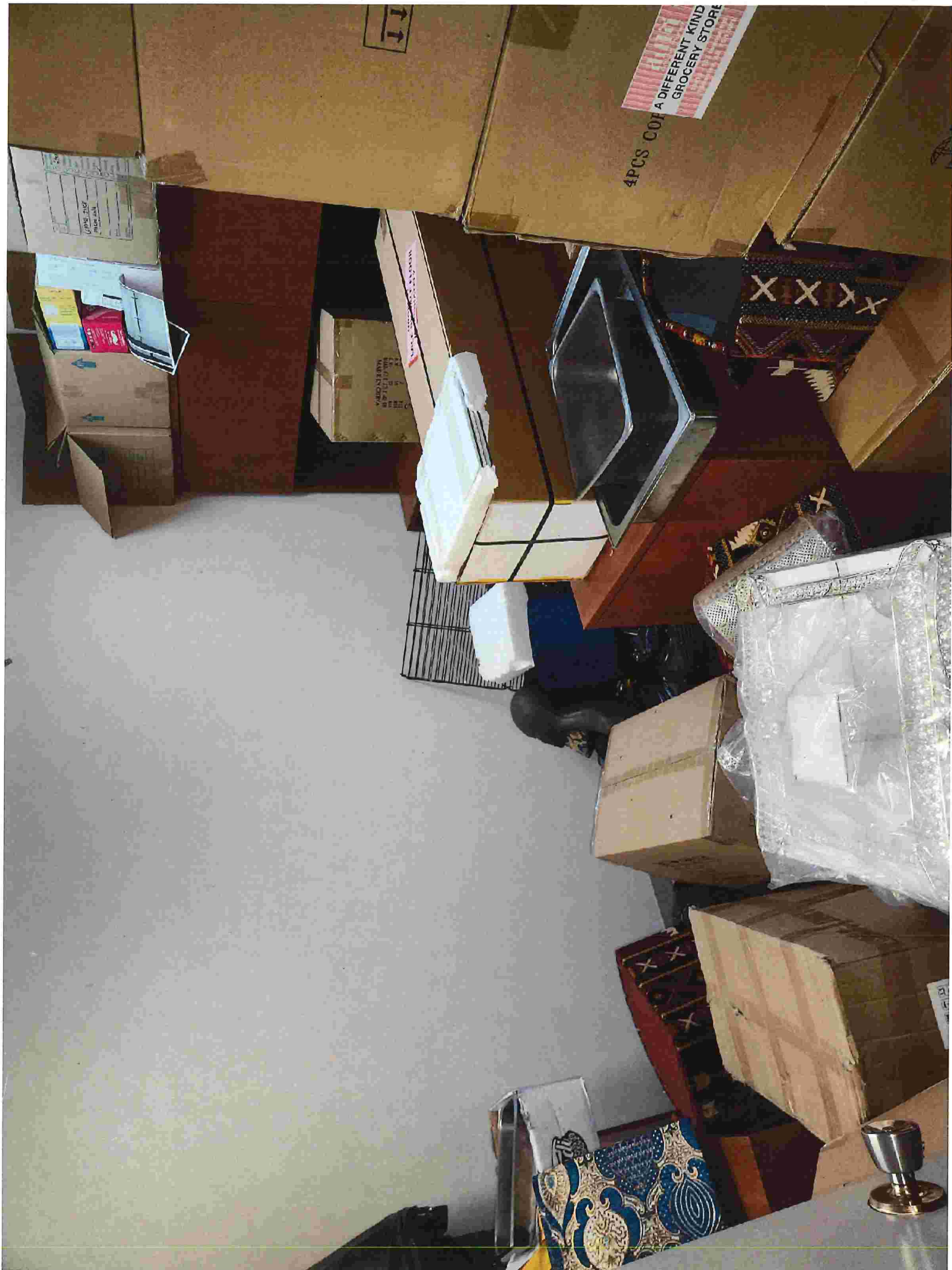
4PCS COFFEE/TEA TABLE SET

A DIFFERENT KIND OF GROCERY STORE

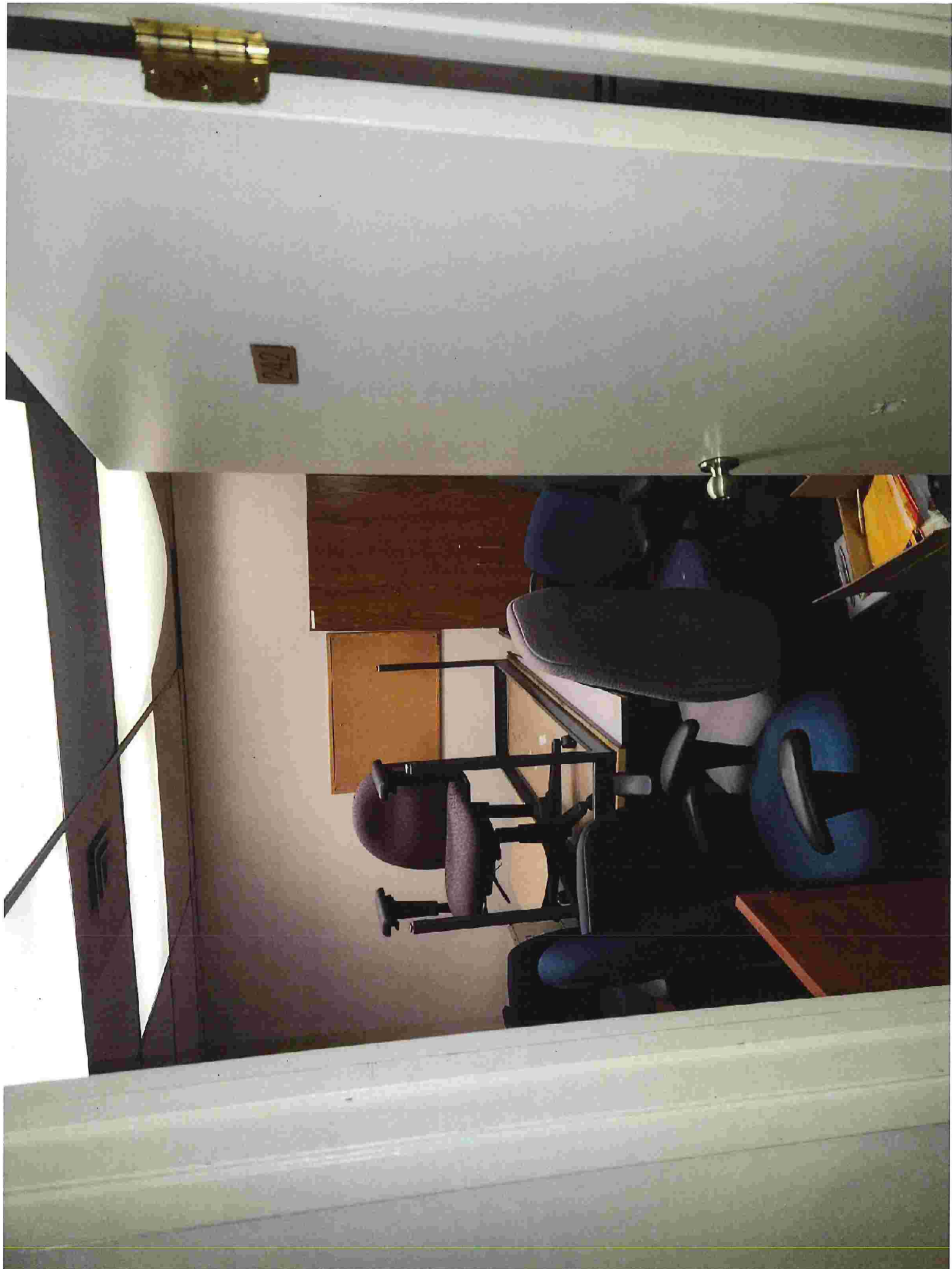
4PCS COFFEE/TEA TABLE SET
A DIFFERENT KIND OF GROCERY STORE

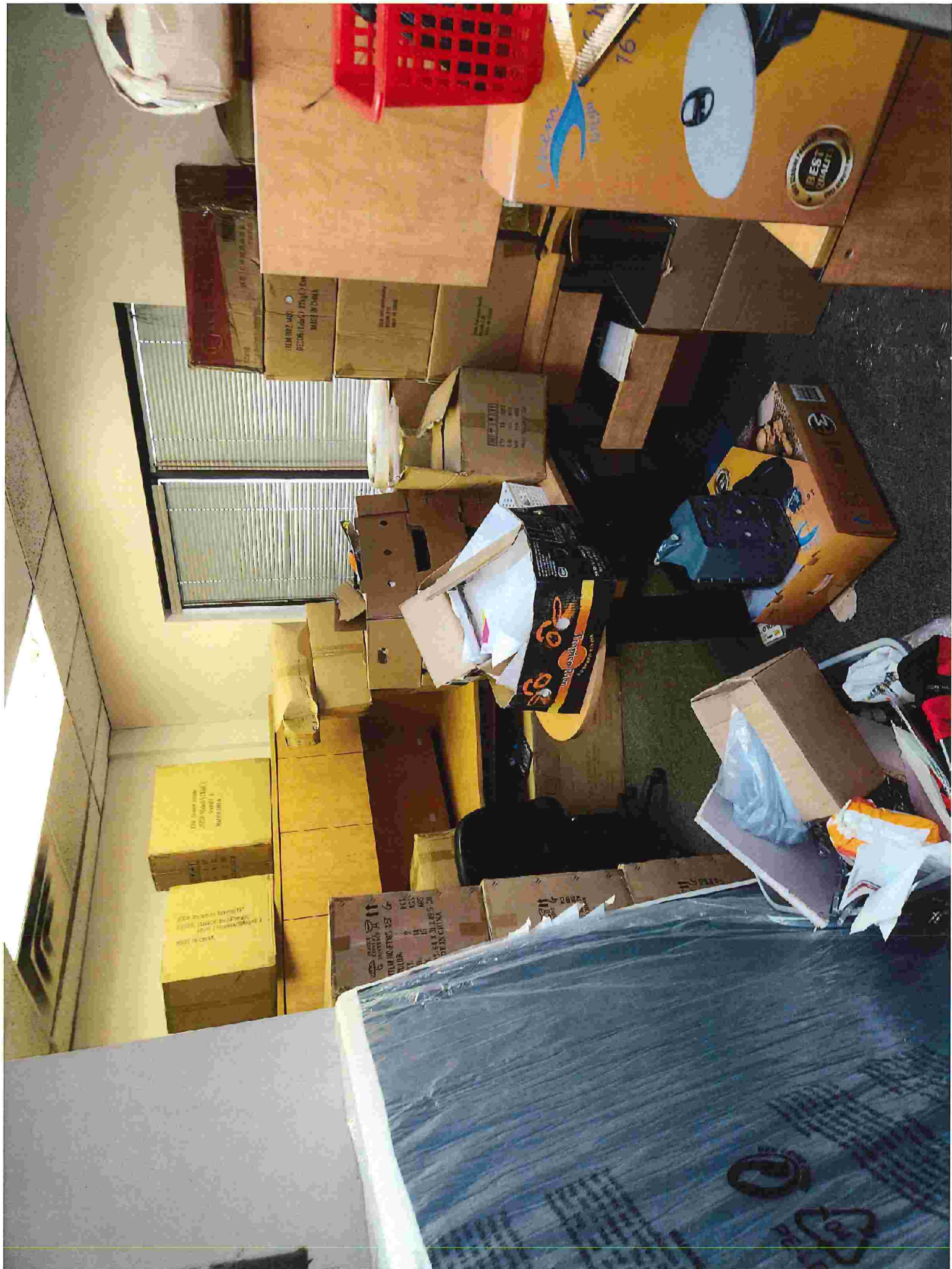
4PCS COFFEE/TEA TABLE SET
A DIFFERENT KIND OF GROCERY STORE

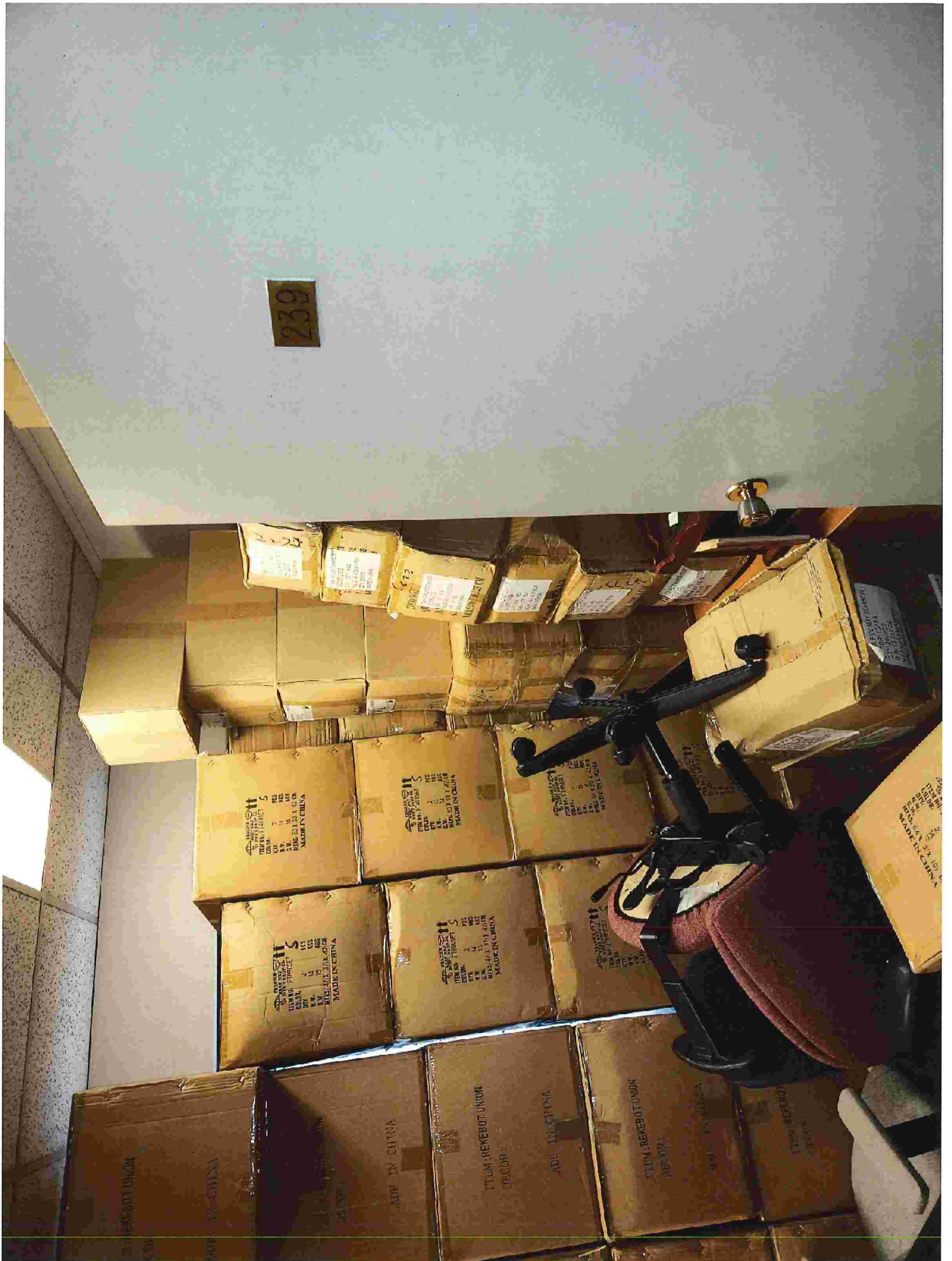
A DIFFERENT KIND OF GROCERY STORE

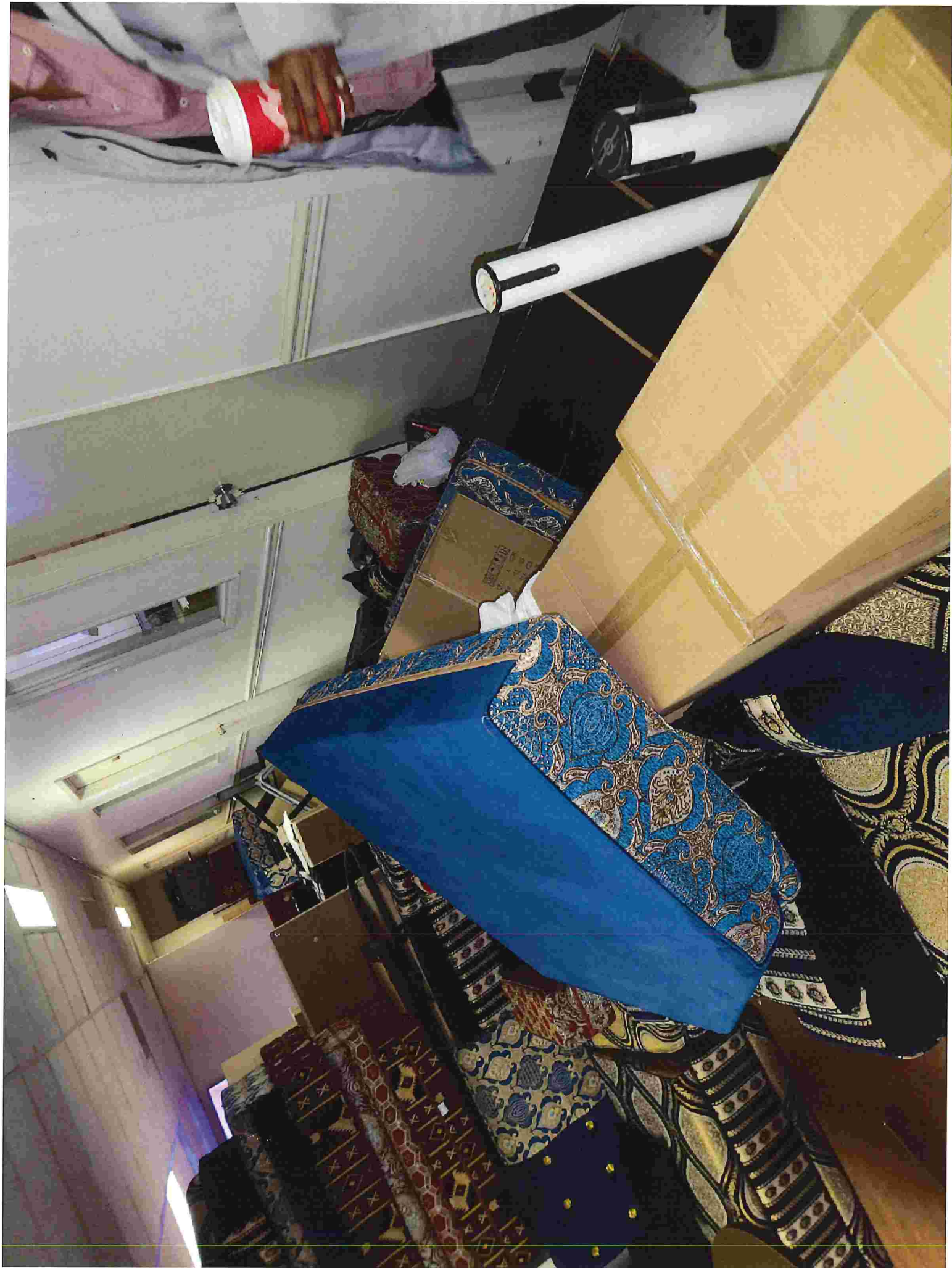












GALLERY

WALL A
x 2 pc

WALL B
x 3 pc
x 60x80

WALL C
x 1 pc

WALL D
x 1 pc
x empty space

1000 CIGARETTES (MARIJUANA)
STAYING IN THE
STAYING IN THE
STAYING IN THE

NUNU'S
EVENT
STUFF













SETS
QTY: 1 KGS
G.W.: 12 KGS
N.W.: 10 KGS
MEAS: 59X38 X37 CM



SETS
QTY: 1 KGS
G.W.: 12 KGS
N.W.: 10 KGS
MEAS: 59X38 X37 CM



SETS
QTY: 1 KGS
G.W.: 12 KGS
N.W.: 10 KGS
MEAS: 59X38 X37 CM

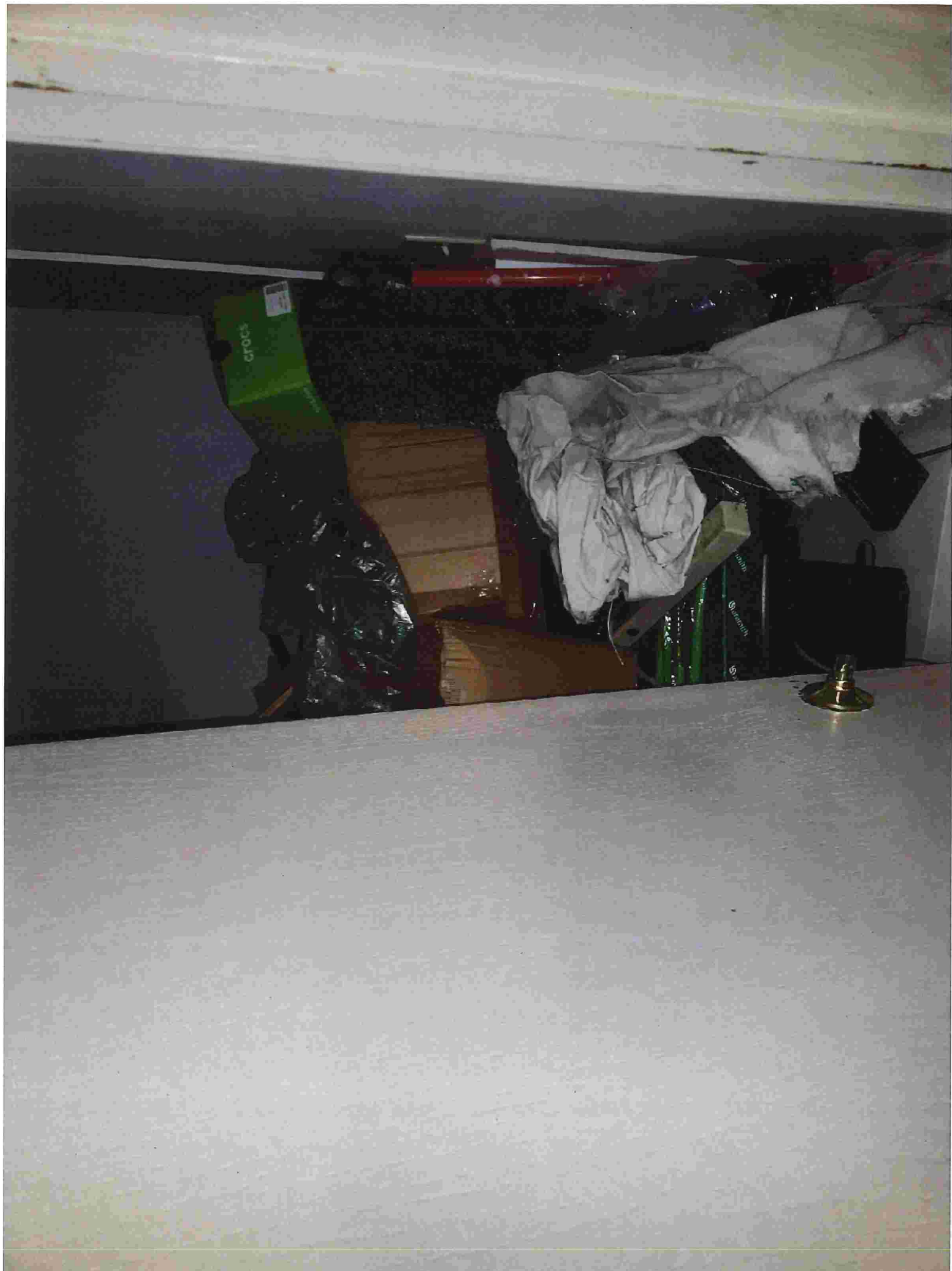
ITEM: REKEBOT WIT
DECOR:

MADE IN CHINA

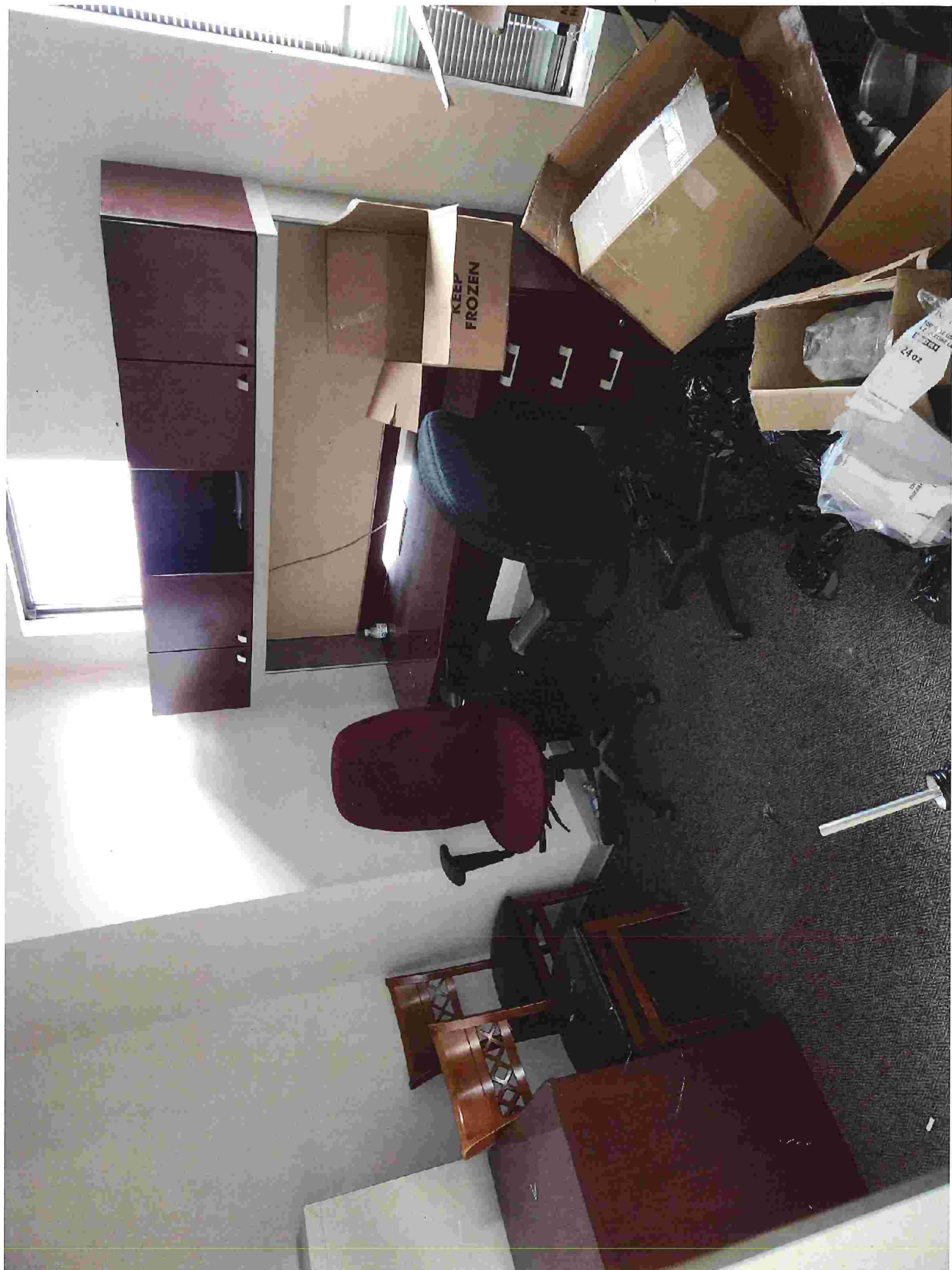
Item: 10
Color: Blue
QTY: 2000
Made in China

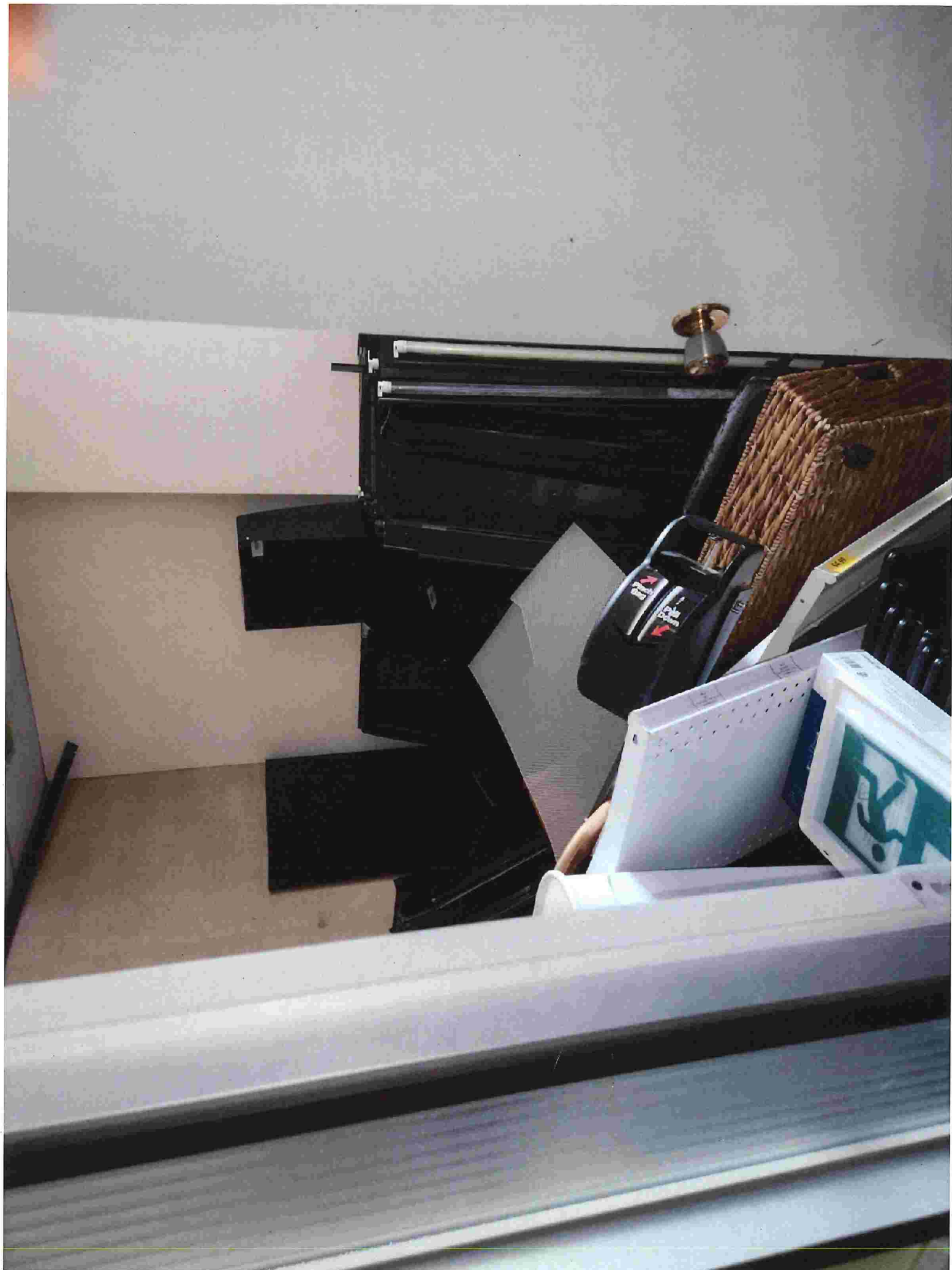
ITEM: 10
Color: Blue
QTY: 2000
Made in China

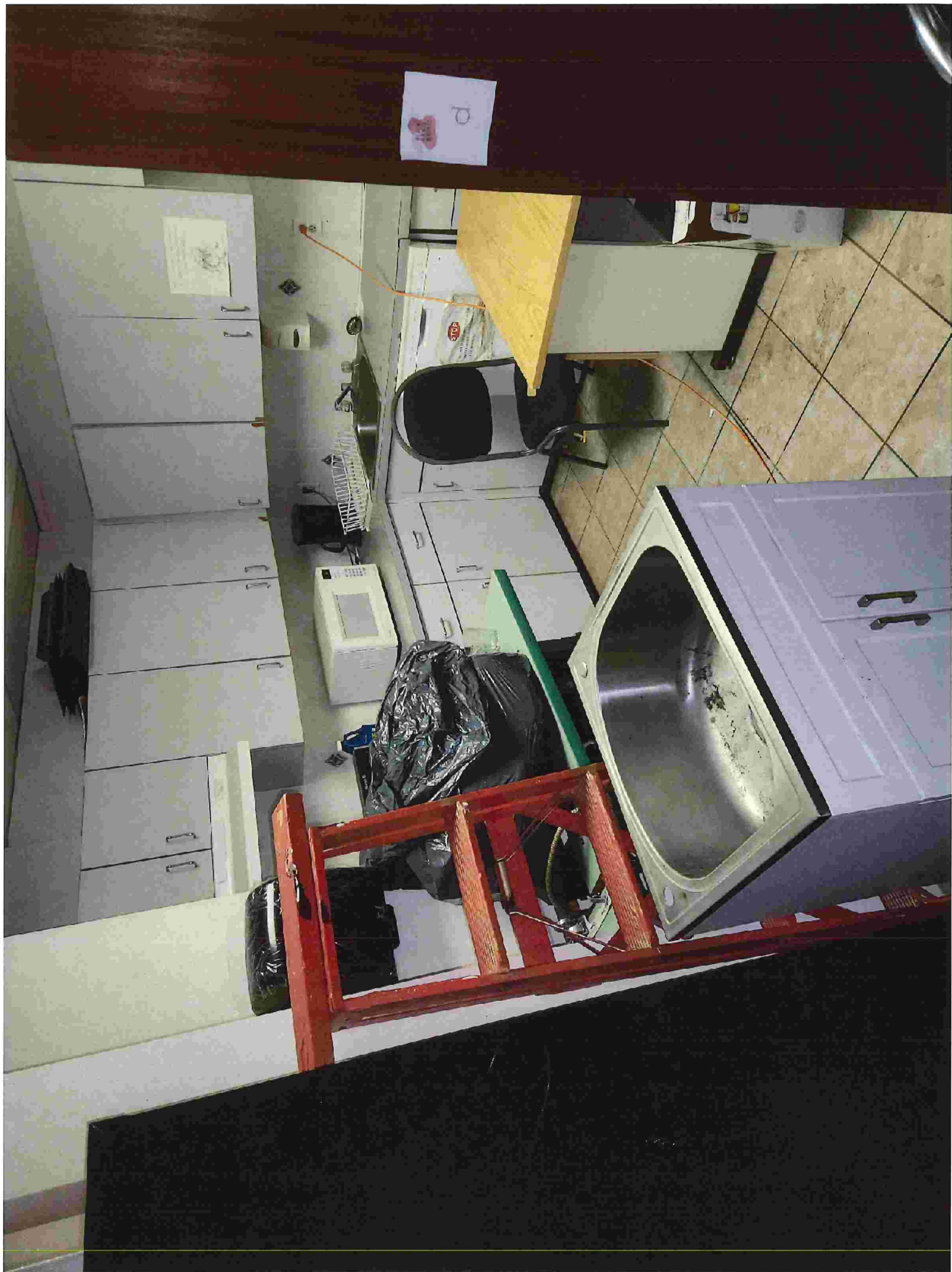


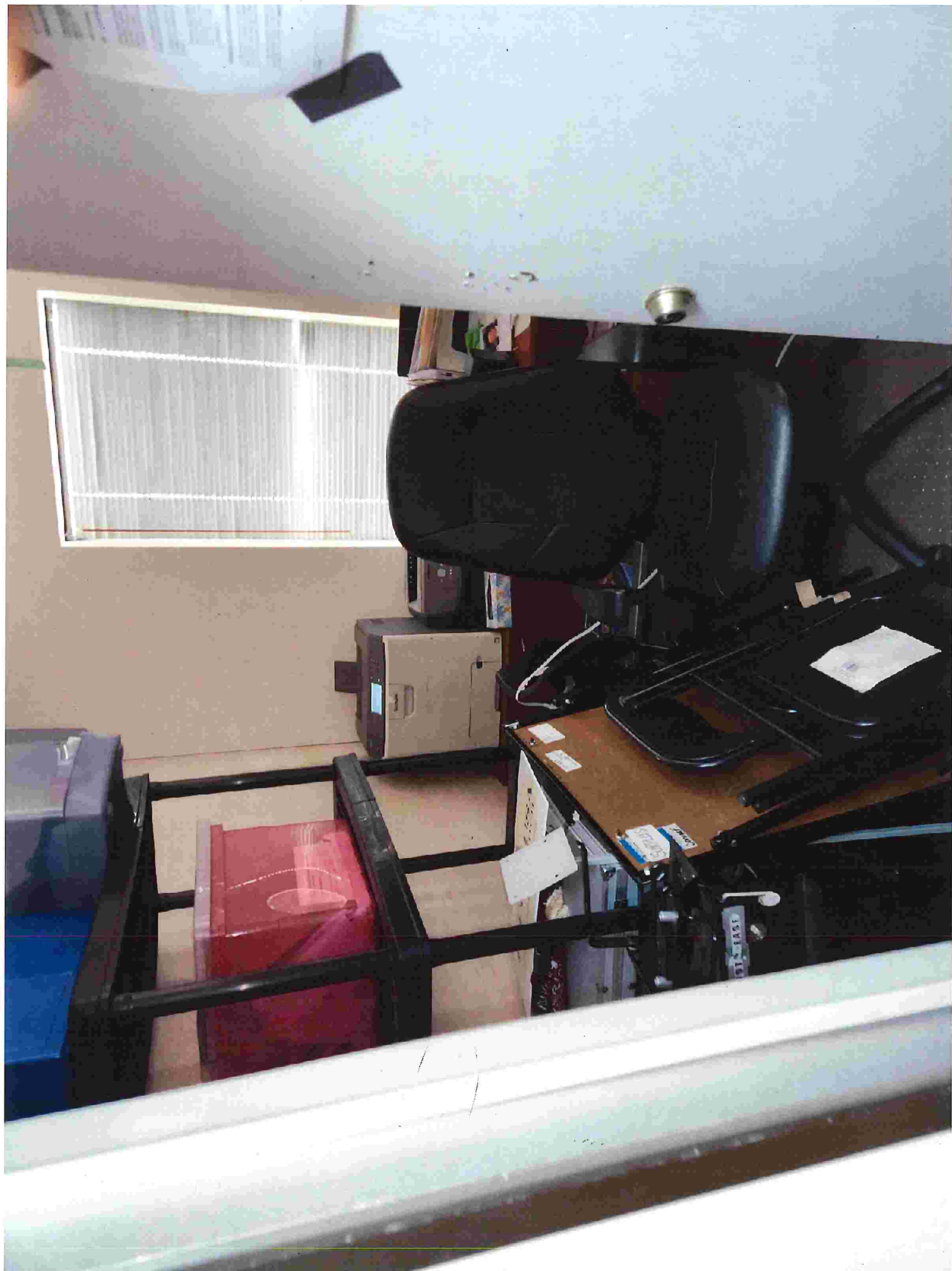


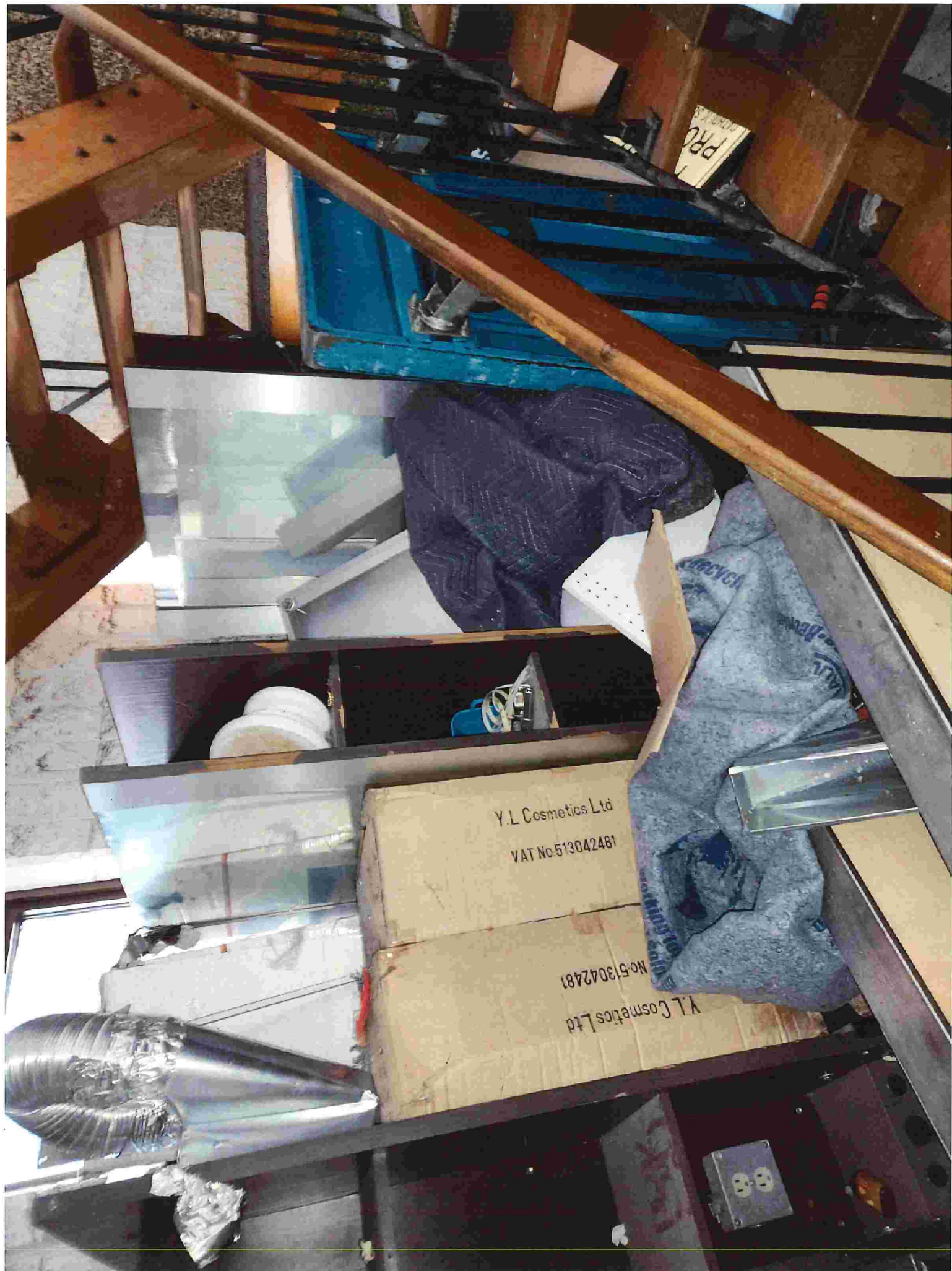


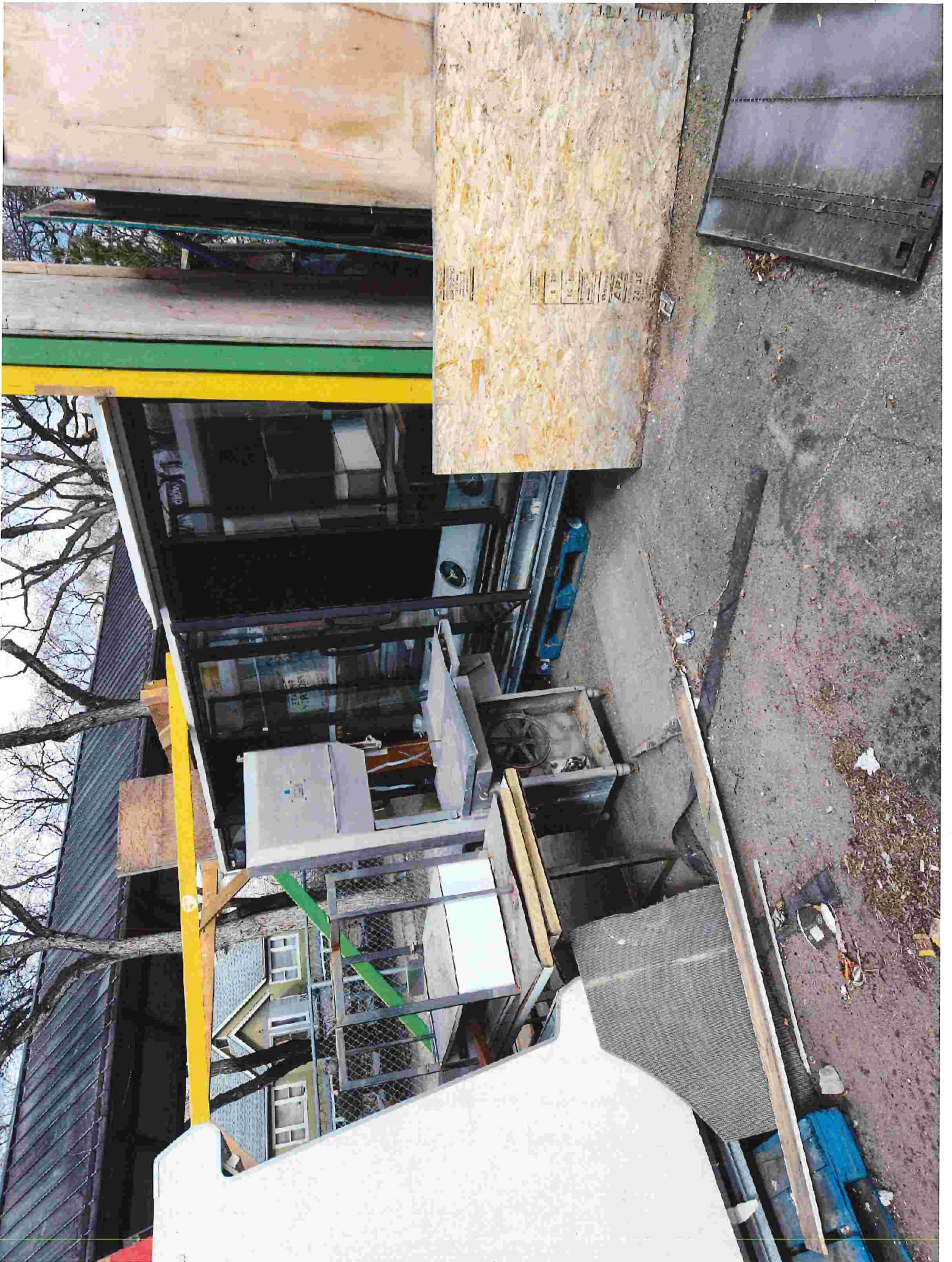




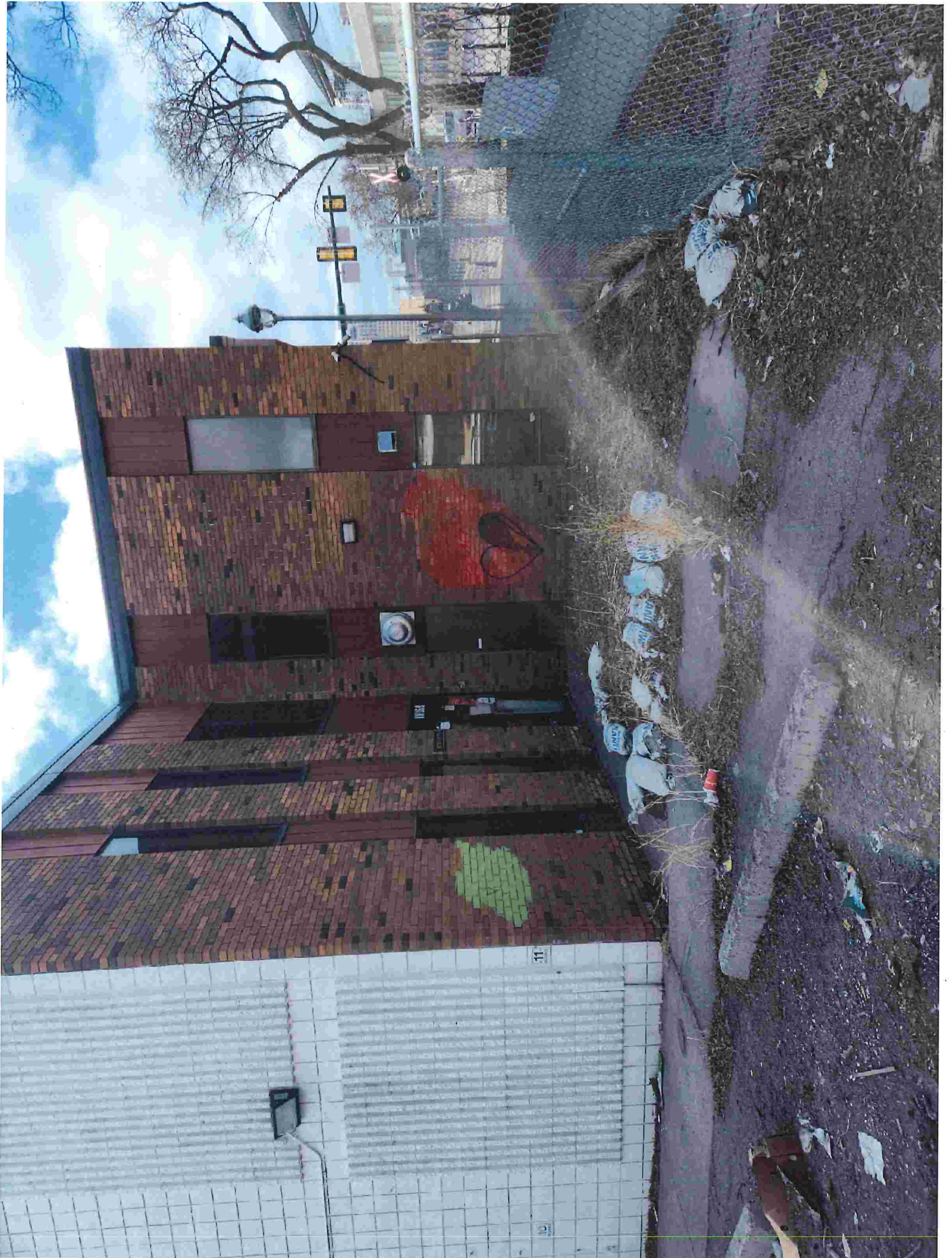




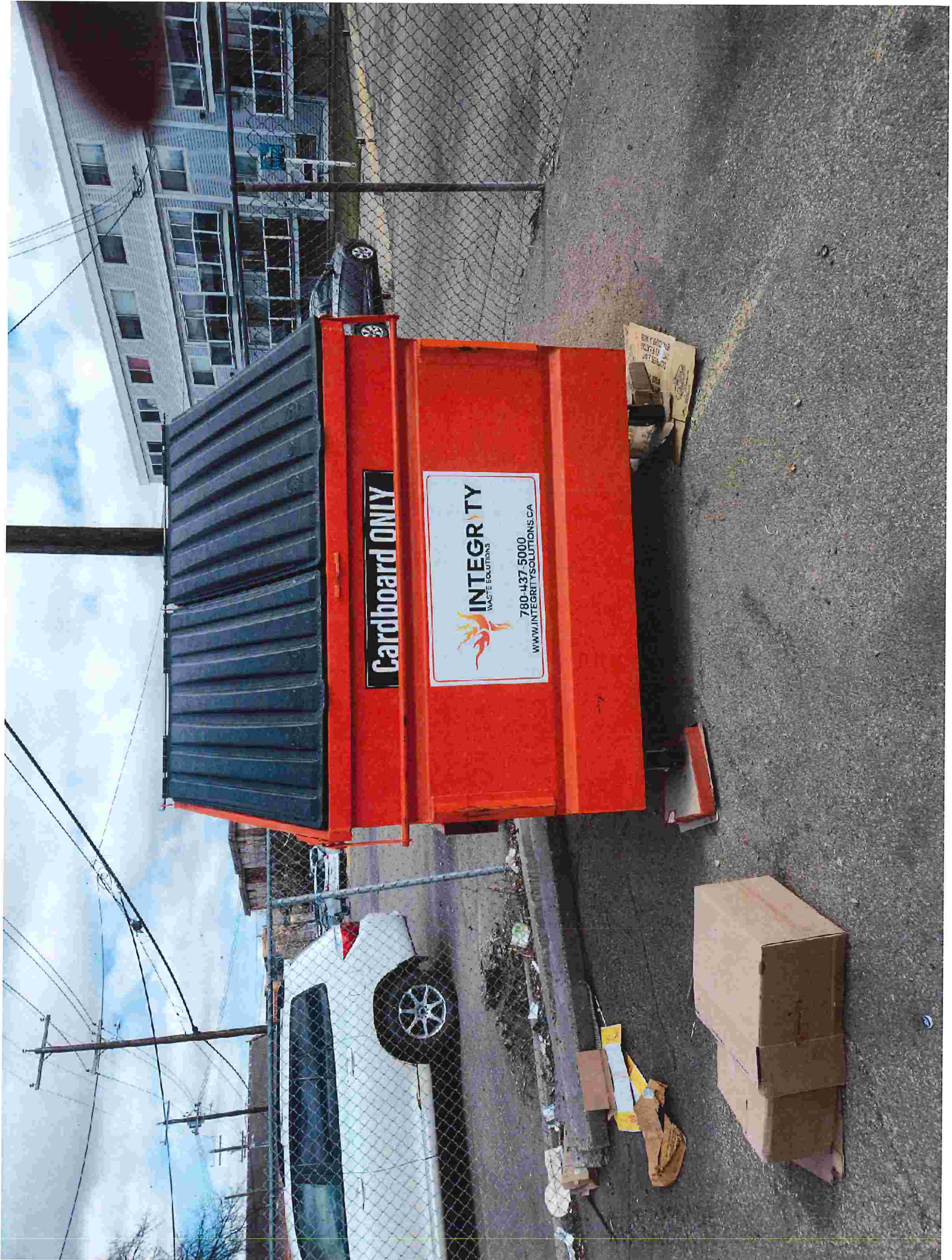













Cardboard ONLY

INTEGRITY
WASTE SOLUTIONS
780-437-5000
WWW.INTEGRITYSOLUTIONS.CA

This is Exhibit "D" referred to
in the Affidavit of Jasdeep (Jessica) Chohan
Sworn before me this 15th day of July, 2024.



A Commissioner for Oaths in and for Alberta

MYLES J. FISH
A Commissioner for Oaths
in and for Alberta
Lawyer, Notary Public

Fish, Myles

From: Maslen, Jack
Sent: June 6, 2024 9:52 AM
To: habeshayeg@gmail.com
Cc: Martin Abramowski; Norris, Spencer
Subject: FW: Royal Bank of Canada v Bereket & G Holdings Corp. et al *Our File: 11088-001)
Attachments: Habesha Company Consent.pdf

Importance: High

Mr. Berhane:

Per the emails below, can you please execute the attached consent on behalf of Habesha at your soonest opportunity?

Sincerely,

Jack Maslen

Partner

T 403.232.9790 | JMaslen@blg.com

Centennial Place, East Tower, 1900, 520 – 3rd Ave. SW, Calgary, AB, Canada T2P 0R3

BLG | Canada's Law Firm

Calgary | Montréal | Ottawa | Toronto | Vancouver

blg.com | To manage your communication preferences or unsubscribe, please click on blg.com/mypreferences/

Borden Ladner Gervais LLP

This message is intended only for the named recipients. This message may contain information that is privileged, confidential or exempt from disclosure under applicable law. Any dissemination or copying of this message by anyone other than a named recipient is strictly prohibited. If you are not a named recipient or an employee or agent responsible for delivering this message to a named recipient, please notify us immediately, and permanently destroy this message and any copies you may have. Warning: Email may not be secure unless properly encrypted.

From: Martin Abramowski <mabramowski@sb-llp.com>
Sent: Thursday, June 6, 2024 9:16 AM
To: Maslen, Jack <JMaslen@blg.com>; Norris, Spencer <snorris@millerthomson.com>
Cc: Nitin Bhatia <NBhatia@sb-llp.com>; Amanda Buist <abuist@sb-llp.com>
Subject: RE: Royal Bank of Canada v Bereket & G Holdings Corp. et al *Our File: 11088-001)

[External / Externe]

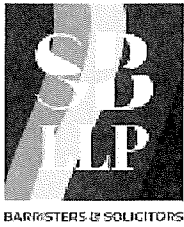
Good morning Counsel,

Please be advised that our office will no longer be assisting Mr. Berhane and the associated companies with this matter.

I have forwarded all of tomorrow's Application materials to Mr. Berhane, although I do not anticipate he will be attending or taking any position.

I will also forward him the consent provided by Mr. Maslen. Please advise whether Sahib Singh at BDO is the appropriate point of contact to return the consent to or otherwise communicate with moving forward.

Thank you,



MARTIN ABRAMOWSKI, LAWYER

Main: 780-438-5281 Ext 251

Direct: 825-600-5136

mabramowski@sb-llp.com

#209, 2920 Calgary Trail NW Edmonton, AB T6J 2G8

main: +1 780-438-5281 | Fax: +1 780-438-5296

www.sb-llp.com | [LinkedIn](#)

SB LLP recognizes June as Pride Month – a commemoration of the ongoing pursuit for equality among the LGBTQ2IA+ community.

This email message and any attachments thereto are intended solely for the use of the individual or entity to whom it is addressed and contains information that is confidential, privileged and exempt from disclosure. Any distribution, copying or disclosure is strictly prohibited. If you have received this email and attachments, if any, in error, please notify the sender immediately by return email and delete the message unread without making any copies. Thank you.

From: Maslen, Jack <JMaslen@blg.com>

Sent: Thursday, June 6, 2024 8:56 AM

To: Martin Abramowski <mabramowski@sb-llp.com>

Cc: Nitin Bhatia <NBhatia@sb-llp.com>; Amanda Buist <abuist@sb-llp.com>

Subject: RE: Royal Bank of Canada v Bereket & G Holdings Corp. et al *Our File: 11088-001)

Importance: High

Martin:

Further to the below, arrangements are being made for BDO to attempt at the property and review Habesha inventory. Hopefully next week.

Before that occurs, BDO has asked that your client execute the attached.

Please kindly return this to me asap, or let me know any questions/comments.

Sincerely,

Jack Maslen

Partner

T 403.232.9790 | JMaslen@blg.com

Centennial Place, East Tower, 1900, 520 – 3rd Ave. SW, Calgary, AB, Canada T2P 0R3

BLG | Canada's Law Firm

Calgary | Montréal | Ottawa | Toronto | Vancouver

blg.com | To manage your communication preferences or unsubscribe, please click on blg.com/mypreferences/

Borden Ladner Gervais LLP

This message is intended only for the named recipient(s). This message may contain information that is privileged, confidential or exempt from disclosure under applicable law. Any dissemination or copying of this message by anyone other than a named recipient is strictly prohibited. If you are not a named recipient or an employee or agent responsible for delivering this message to a named recipient, please notify us immediately, and permanently destroy this message and any copies you may have. Warning: Email may not be secure unless properly encrypted.

From: Martin Abramowski <mabramowski@sb-llp.com>

Sent: Monday, May 27, 2024 4:31 PM

To: Maslen, Jack <JMaslen@blg.com>

Cc: Nitin Bhatia <NBhatia@sb-llp.com>; Amanda Buist <abuist@sb-llp.com>
Subject: RE: Royal Bank of Canada v Bereket & G Holdings Corp. et al *Our File: 11088-001)

[External / Externe]

Good afternoon Mr. Maslen,

Yes, I now have instructions, on behalf of Habesha and Mr. Berhane, to consent to the inventory count and valuation to be performed by the receiver.

Thank you,



BARRISTERS & SOLICITORS

MARTIN ABRAMOWSKI, LAWYER

Main: 780-438-5281 Ext 251

Direct: 825-600-5136

mabramowski@sb-llp.com

#209, 2920 Calgary Trail NW Edmonton, AB T6J 2G8

main: +1 780-438-5281 | Fax: +1 780-438-5296

www.sb-llp.com | [LinkedIn](#)

This email message and any attachments thereto are intended solely for the use of the individual or entity to whom it is addressed and contains information that is confidential and may be privileged and exempt from disclosure. Any distribution, copying or disclosure is strictly prohibited. If you have received this email and attachments, if any, in error, please notify the sender immediately by return email and delete the message unread without making any copies. Thank you.

From: Maslen, Jack <JMAslen@blg.com>
Sent: Monday, May 27, 2024 4:18 PM
To: Martin Abramowski <mabramowski@sb-llp.com>
Subject: RE: Royal Bank of Canada v Bereket & G Holdings Corp. et al

Martin,

Have you been able to seek instructions on the items we discussed on Friday?

Thanks,

Jack Maslen

Partner

T 403.232.9790 | JMAslen@blg.com

Centennial Place, East Tower, 1900, 520 – 3rd Ave. SW, Calgary, AB, Canada T2P 0R3

BLG | Canada's Law Firm

Calgary | Montréal | Ottawa | Toronto | Vancouver

blg.com | To manage your communication preferences or unsubscribe, please click on blg.com/mypreferences/

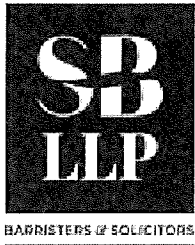
Borden Ladner Gervais LLP

This message is intended only for the named recipients. This message may contain information that is privileged, confidential or exempt from disclosure under applicable law. Any dissemination or copying of this message by anyone other than a named recipient is strictly prohibited. If you are not a named recipient or an employee or agent responsible for delivering this message to a named recipient, please notify us immediately, and permanently destroy this message and any copies you may have. Warning: Email may not be secure unless properly encrypted.

From: Martin Abramowski <mabramowski@sb-llp.com>
Sent: Thursday, May 23, 2024 8:53 AM
To: Maslen, Jack <JMaslen@blg.com>
Cc: Nitin Bhatia <NBhatia@sb-llp.com>; Amanda Buist <abuist@sb-llp.com>
Subject: RE: Royal Bank of Canada v Bereket & G Holdings Corp. et al

[External / Externe]

That works for me thanks. Talk soon.



MARTIN ABRAMOWSKI, LAWYER

Main: 780-438-5281 Ext 251
Direct: 825-600-5136
mabramowski@sb-llp.com

#209, 2920 Calgary Trail NW Edmonton, AB T6J 2G8

main: +1 780-438-5281 | Fax: +1 780-438-5296
www.sb-llp.com | [LinkedIn](#)

This email message and any attachments thereto are intended solely for the use of the individual or entity to whom it is addressed and contains information that is confidential and may be privileged and exempt from disclosure. Any distribution, copying or disclosure is strictly prohibited. If you have received this email and attachments, if any, in error, please notify the sender immediately by return email and delete the message unread without making any copies. Thank you.

From: Maslen, Jack <JMaslen@blg.com>
Sent: Thursday, May 23, 2024 8:49 AM
To: Martin Abramowski <mabramowski@sb-llp.com>
Cc: Nitin Bhatia <NBhatia@sb-llp.com>; Amanda Buist <abuist@sb-llp.com>
Subject: RE: Royal Bank of Canada v Bereket & G Holdings Corp. et al

Martin:

Thanks for getting back to me.

Lets please plan to speak at 9 am tomorrow if that works for you. I will call your direct line below.

Sincerely,

Jack Maslen

Partner

T 403.232.9790 | JMaslen@blg.com

Centennial Place, East Tower, 1900, 520 – 3rd Ave. SW, Calgary, AB, Canada T2P 0R3

BLG | Canada's Law Firm

Calgary | Montréal | Ottawa | Toronto | Vancouver

[blg.com](#) | To manage your communication preferences or unsubscribe, please click on blg.com/mypreferences/

Borden Ladner Gervais LLP

This message is intended only for the named recipients. This message may contain information that is privileged, confidential or exempt from disclosure under applicable law. Any dissemination or copying of this message by anyone other than a named recipient is strictly prohibited. If you are not a named recipient or an employee or agent responsible for delivering this message to a named recipient, please notify us immediately, and permanently destroy this message and any copies you may have. Warning: Email may not be secure unless properly encrypted.

From: Martin Abramowski <mabramowski@sb-llp.com>
Sent: Thursday, May 23, 2024 8:41 AM
To: Maslen, Jack <JMAslen@blg.com>
Cc: Nitin Bhatia <NBhatia@sb-llp.com>; Amanda Buist <abuist@sb-llp.com>
Subject: RE: Royal Bank of Canada v Bereket & G Holdings Corp. et al

[External / Externe]

Good morning Mr. Maslen,

Apologies, I was largely tied up yesterday and unfortunately am as well this morning.

I can be available for a call today from 1pm – 2pm, or anytime after 4:30 or so today.

Otherwise, I have much more open availability tomorrow and can do a morning call then if that works better.

Thank you,



MARTIN ABRAMOWSKI, LAWYER

Main: 780-438-5281 Ext 251

Direct: 825-600-5136

mabramowski@sb-llp.com

#209, 2920 Calgary Trail NW Edmonton, AB T6J 2G8

main: +1 780-438-5281 | Fax: +1 780-438-5296

www.sb-llp.com | [LinkedIn](#)

This email message and any attachments thereto are intended solely for the use of the individual or entity to whom it is addressed and contains information that is confidential and may be privileged and exempt from disclosure. Any distribution, copying or disclosure is strictly prohibited. If you have received this email and attachments, if any, in error, please notify the sender immediately by return email and delete the message unread without making any copies. Thank you.

From: Maslen, Jack <JMAslen@blg.com>
Sent: Thursday, May 23, 2024 7:44 AM
To: Martin Abramowski <mabramowski@sb-llp.com>
Subject: Royal Bank of Canada v Bereket & G Holdings Corp. et al

Martin:

I left you a voicemail yesterday morning. As I mentioned, I am reaching out in relation to the above matter, in which BLG represents RBC.

Do you have time to discuss this morning? What time/number works for you?

Sincerely,

Jack Maslen

Partner

T 403.232.9790 | JMAslen@blg.com

Centennial Place, East Tower, 1900, 520 – 3rd Ave. SW, Calgary, AB, Canada T2P 0R3

BLG | Canada's Law Firm

Calgary | Montréal | Ottawa | Toronto | Vancouver

blg.com | To manage your communication preferences or unsubscribe, please click on blg.com/mypreferences/

Borden Ladner Gervais LLP

This message is intended only for the named recipients. This message may contain information that is privileged, confidential or exempt from disclosure under applicable law. Any dissemination or copying of this message by anyone other than a named recipient is strictly prohibited. If you are not a named recipient or an employee or agent responsible for delivering this message to a named recipient, please notify us immediately, and permanently destroy this message and any copies you may have. Warning: Email may not be secure unless properly encrypted.

CONSENT, AUTHORIZATION AND ACKNOWLEDGEMENT

To: BDO Canada Limited
To: The Royal Bank of Canada
To: Borden Ladner Gervais LLP

June 6, 2024

Dear Sirs:

Habesha African Supermarket Ltd. (the "Company")

The Company has provided a secured guarantee to the Royal Bank of Canada (the "**Lender**") in respect of the indebtedness owed by Bereket & G Holdings Ltd., providing a charge over the Company's present and future assets and undertakings (the "**Security**"). Borden Ladner Gervais LLP ("**BLG**") is acting as legal counsel to the Lender to advise the Lender in respect of its Security against the Company and such related matters.

The Company acknowledges that it has consulted with such advisors as it has considered necessary and hereby provides its informed consent to the engagement of BDO Canada Limited ("**BDO**") by BLG for the purposes and in accordance with the terms set out in the attached engagement letter between BLG and BDO (the "**Engagement Letter**").

The Company agrees to authorize and direct employees or any party providing services to Habesha and advisors (including its accountants, auditors, solicitors, insurance agents, environment consultants and appraisers) to cooperate fully with BDO. The Company agrees to fully cooperate with BDO and to provide BDO complete and unrestricted access to its premises and provide BDO promptly upon request with all information and records of every kind and description, including, without limitation, banking, investment and other records, documents, information and files, which BDO may request, in connection with its engagement, and agrees to meet with BDO to provide whatever analysis and explanations BDO may reasonably require. The Company further agrees to use reasonable skill, care and attention to ensure that all information provided to BDO is accurate and complete and to notify BDO if it subsequently learns that the information provided is incorrect, inaccurate or otherwise should not be relied upon.

The Company agrees that BDO may make and retain copies of all documents or records it considers appropriate to discharge its mandate and that BDO will be entitled to communicate freely with BLG and the Lender regarding its engagement.

The Company agrees that all reports issued by BDO may be issued solely to BLG and/or the Lender, and that the Company may not be provided with access to any information or recommendations provided by BDO. However, in order to ensure the accuracy of the factual basis upon which the observations, recommendations and analysis will be based, BDO may provide the Company with a summary of the factual basis or for hours of written reports and provide the Company with an opportunity to respond within 48 hours.

The Company acknowledges that BDO shall have and will assume no decision making responsibilities, will have no management capacity, will not offer advice or direction to, or exercise any degree of

control over the business and affairs of the Company and that BDO will not be responsible for any decisions or actions of the Company.

In particular, BDO will have no duty of care to the Company and the Company specifically acknowledges that nothing contained herein will constitute an arrangement, agreement or relationship between the Company and BDO arising from or based, directly, upon BDO's engagement.

The Company acknowledges that the engagement of BDO is not an act of enforcement of the Security and, in particular, that BDO is not the owner of nor is it in charge, management, custody or control of any real property owned or occupied by the Company, its other property and assets, nor of its business and affairs.

The Company acknowledges that, by virtue of BLG's engagement of BDO, the Lender is not waiving any of its rights and remedies available to it under any present or future agreement between the Lender and the Company including, without limitation, the Security.

The Company agrees that the Company will not object to the appointment of BDO and that BDO can be appointed as receiver, receiver and manager, monitor, trustee in bankruptcy or otherwise of the Company or any property and assets of the Company and that such appointment shall not be a conflict of interest by virtue of BDO having been retained by BLG or the relationships disclosed above.

BDO may be required to keep confidential all information it obtains regarding the Company and its business, assets and affairs during the course of its engagement hereunder to the same extent as such duty of confidentiality applies to the Lender. Without limiting the generality of the foregoing, the Company specifically waives any duty of confidentiality which either BDO, BLG and the Lender may have with respect to any such confidential information obtained by BDO and delivered to BLG and/or the Lender in connection with BDO's engagement hereunder. The Company specifically authorizes BDO BLG and/or the Lender to divulge such information pursuant to any Court proceeding commenced by or to which BLG and/or the Lender is a party or in connection with the exercise of any of the Lender's remedies against the Company including, without limitation, enforcing the Security or to any potential assignee of the Lender's debt and Security.

All of the foregoing is acknowledged and agreed to by the undersigned this ____ day of _____, 2024.

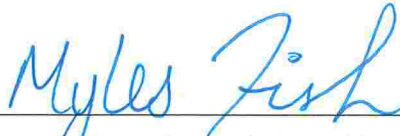
Yours very truly,

Habesha African Supermarket Ltd.

Per: _____

Name: _____
I have the authority to bind the Company

This is Exhibit "E" referred to
in the Affidavit of Jasdeep (Jessica) Chohan
Sworn before me this 15th day of July, 2024.



A Commissioner for Oaths in and for Alberta

MYLES J. FISH
A Commissioner for Oaths
in and for Alberta
Lawyer, Notary Public

HABESHA AFRICAN SUPERMARKET LTD.

Financial Information
Year Ended December 31, 2022

HABESHA AFRICAN SUPERMARKET LTD.

Index to Financial Information Year Ended December 31, 2022

	Page
COMPILATION ENGAGEMENT REPORT	2
FINANCIAL STATEMENTS	
Balance Sheet	3
Statement of Income and Deficit	4
Notes to the Financial Information	5

Jaberson & Associates
Professional Tax Advisor

5430 136 Ave NW Tel: (780) 643-6661
Edmonton, AB T5A 0E4 Fax: (780) 643-6662

COMPILATION ENGAGEMENT REPORT

To the Shareholders of Habesha African Supermarket Ltd

On the basis of information provided by management, I have compiled the balance sheets of 2022 as at December 31, and the statements of income and retained earnings for the years then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

I performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, which requires me to comply with relevant ethical requirements. My responsibility is to assist management in the preparation of the financial information.

I did not perform an audit engagement or a review engagement, nor was I required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an audit opinion or a review conclusion or provide any form of assurance on the financial information.

Readers are cautioned that these financial statements may not be appropriate for their purposes.

Edmonton, Alberta
February 09, 2024,

Sam Jaber
Professional Tax Advisor

HABESHA AFRICAN SUPERMARKET LTD.

Balance Sheet

December 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash & cash equivalents	\$ 3,543	\$ 43,199
Inventory	572,610	365,876
Taxes receivable	27,171	21,449
Prepaid expenses	10,396	10,396
Accounts receivable	-	88,990
	<u>613,720</u>	<u>529,910</u>
 DUE FROM RELATED PARTIES	 143,054	 58,052
 INVESTMENT	 25,300	 -
 PROPERTY AND EQUIPMENT <i>(Net of accumulated amortization)</i>	 196,262	 138,659
 TOTAL ASSETS	 <u>\$ 978,336</u>	 <u>\$ 726,621</u>
LIABILITIES		
CURRENT		
Accounts payable & accrued liabilities	44,114	201,432
Employee deductions payable	25,589	7,187
	<u>69,703</u>	<u>208,619</u>
 DUE TO RELATED PARTIES	 1,562,187	 1,231,092
SHAREHOLDER LOAN	198,612	174,188
LOAN	40,000	40,000
	<u>1,800,799</u>	<u>1,445,280</u>
 TOTAL LIABILITIES	 <u>\$ 1,870,502</u>	 <u>\$ 1,653,899</u>
 SHAREHOLDER'S DEFICIENCY		
Share capital	100	100
Deficit	(892,267)	(927,378)
	<u>(892,167)</u>	<u>(927,278)</u>
 TOTAL LIABILITIES & EQUITY	 <u>\$ 978,336</u>	 <u>\$ 726,621</u>

ON BEHALF OF THE BOARD

..... Director

..... Director

HABESHA AFRICAN SUPERMARKET LTD.

Statement of Income and Deficit

Year Ended December 31, 2022

	2022	2021
REVENUE	1,145,956	938,177
COST OF GOOD SOLD	<u>503,443</u>	<u>627,562</u>
GROSS PROFIT	<u>642,513</u>	<u>310,615</u>
ADMINISTRATIVE AND SELLING EXPENSES		
Rent	240,000	240,000
Salaries and wages	196,687	92,365
Utilities & Telephone	54,647	49,670
Delivery, freight and express	25,122	11,011
Depreciation	22,719	24,349
Office expenses	17,945	454
Insurance	15,199	10,664
Repairs & Maintenance	14,497	16,542
Interest and bank charges	14,490	15,147
Vehicle expenses	6,103	12,534
Advertising and Promotion	5,315	4,053
Professional fees	2,500	2,500
Business taxes, licences, and memberships	-	1,114
	<u>615,225</u>	<u>480,403</u>
LOSS FROM OPERATIONS	<u>27,288</u>	<u>(169,788)</u>
OTHER INCOME	7,823	-
	<u>7,823</u>	<u>-</u>
NET LOSS	<u>35,111</u>	<u>(169,788)</u>
DEFICIT - BEGINNING OF YEAR	(927,378)	(757,590)
DEFICIT - END OF YEAR	<u>(892,267)</u>	<u>(927,378)</u>

HABESHA AFRICAN SUPERMARKET LTD.

Notes to the Financial Information

Year Ended December 31, 2022

1. BASIS OF ACCOUNTING


The basis of accounting applied in the preparation of the balance sheet of Habesha African Supermarket Ltd as at December 31, 2022, and the statement of income and deficit for the year then ended is the historical cost basis and reflects cash transactions with the addition of:

- Inventory valued at cost
- Property, plant and equipment amortized on the same basis as for income tax
- Accounts payable and accrued liabilities

2. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Depreciation	2022 Net Book Value	2021 Net Book Value
Computer equipment/ Software	33,087	32,103	984	2,186
Design	3,590	2,267	1,323	1,654
Furniture and fixtures	125,878	66,942	58,936	48,288
Leasehold improvements	176,029	41,010	135,019	86,531
	338,584	142,322	196,262	138,659

This is Exhibit "F" referred to
in the Affidavit of Jasdeep (Jessica) Chohan
Sworn before me this 15th day of July, 2024.



A Commissioner for Oaths in and for Alberta

MYLES J. FISH
A Commissioner for Oaths
in and for Alberta
Lawyer, Notary Public

**BEREKET & G HOLDINGS CORP. AND HABESHA AFRICAN
SUPERMARKET LTD.**

Consolidated Financial Information
Year Ended April 30, 2023

**BEREKET & G HOLDINGS CORP. AND HABESHA AFRICAN
SUPERMARKET LTD.**

**Index to Consolidated Financial Information
Year Ended April 30, 2023**

	Page
COMPILATION ENGAGEMENT REPORT	2
FINANCIAL INFORMATION	
Consolidated Balance Sheet	3
Consolidated Statement of income and deficit	4
Notes to Consolidated Financial Information	5

Jaberson & Associates
Professional Tax Advisor

5430 136 Ave NW Tel: (780) 643-6661
Edmonton, AB T5A 0E4 Fax: (780) 643-6662

COMPILATION ENGAGEMENT REPORT

To the Shareholders of Bereket & G holdings Corp and Habesha African Supermarket Ltd.

On the basis of information provided by management, I have compiled the balance sheets of 2023 as at April 30, and the statements of income and retained earnings for the years then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

I performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, which requires me to comply with relevant ethical requirements. My responsibility is to assist management in the preparation of the financial information.

I did not perform an audit engagement or a review engagement, nor was I required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an audit opinion or a review conclusion or provide any form of assurance on the financial information.

Readers are cautioned that these financial statements may not be appropriate for their purposes.

Edmonton, Alberta
February 22, 2024,

Sam Jaber, MBA
Professional Tax Advisor

BEREKET & G HOLDINGS CORP. AND HABESHA AFRICAN SUPERMARKET LTD.
Consolidated Balance Sheet
April 30, 2023

	2023	2022
ASSETS		
CURRENT		
Cash & cash equivalents	47,667	32,020
Inventory	520,729	341,330
Security Deposit	44,500	44,500
Accounts receivable	31,270	95,616
Prepaid expenses	10,396	10,396
	<u>654,563</u>	<u>523,862</u>
INVESTMENT	25,300	-
PROPERTY AND EQUIPMENT (Note of accumulated amortization)	<u>2,075,032</u>	<u>2,047,017</u>
TOTAL ASSETS	<u>\$ 2,754,895</u>	<u>\$ 2,570,879</u>
LIABILITIES		
CURRENT		
Accounts payable & accrued liabilities	\$ 208,002	\$ 262,488
Loan RBC current portion	98,349	98,349
Payroll liabilities	25,589	7,187
Taxes payable	8,949	-
	<u>340,889</u>	<u>368,024</u>
LONG TERM DEBT	2,454,111	2,517,365
DUE TO SHAREHOLDER	824,434	739,294
DUE TO RELATED PARTIES	337,776	164,480
CEBA - Loan	80,000	80,000
	<u>3,696,322</u>	<u>3,501,139</u>
TOTAL LIABILITIES	<u>\$ 4,037,210</u>	<u>\$ 3,869,163</u>
SHAREHOLDER'S DEFICIENCY		
Share capital	200	200
Deficit	(1,282,516)	(1,298,484)
	<u>(1,282,316)</u>	<u>(1,298,284)</u>
TOTAL LIABILITIES & EQUITY	<u>\$ 2,754,895</u>	<u>\$ 2,570,879</u>

ON BEHALF OF THE BOARD

..... Director

..... Director

BEREKET & G HOLDINGS CORP. AND HABESHA AFRICAN SUPERMARKET LTD.
Consolidated Statement of Income and Deficit
Year Ended April 30, 2023

	2023	2022
REVENUE	1,218,844	1,003,996
COST OF GOOD SOLD	579,162	568,375
GROSS PROFIT	<u>639,682</u>	<u>435,621</u>
ADMINISTRATIVE AND SELLING EXPENSES		
Salaries and wages	193,709	119,936
Interest expenses	115,375	112,719
Depreciation	91,837	127,014
Utilities & Telephone	69,144	69,916
Property taxes	34,034	23,288
Insurance	31,448	19,831
Delivery, freight and express	16,748	7,341
Interest and bank charges	17,439	14,544
Repairs & Maintenance	16,795	39,439
Office expenses	21,337	4,767
Vehicle operating	6,551	9,289
Professional fees	4,725	2,867
Adversiting and promotion	3,543	1,202
Meals & Entertainment	703	2,677
Business taxes, licences, and memberships	326	1,291
Rent	-	5,702
	<u>623,714</u>	<u>561,823</u>
INCOME (LOSS) FROM OPERATIONS	<u>15,968</u>	<u>(126,202)</u>
NET INCOME	<u>15,968</u>	<u>(126,202)</u>
Deficit - BEGINNING OF YEAR	(1,298,484)	(1,172,282)
Deficit - END OF YEAR	<u>(1,282,516)</u>	<u>(1,298,484)</u>

BEREKET & G HOLDINGS CORP. AND HABESHA AFRICAN SUPERMARKET LTD.

Notes to consolidated Financial Information

Year Ended April 30, 2023

1. BASIS OF PRESENTATION

The of accounting applied in the preparation of the balance sheet of Bereket & G Holdings Corp. and Habesha African Supermarket Ltd. as at April 30, 2023 and the statement of income and deficit for the year then ended is the historical cost basis and reflects cash transactions with the additional of:

- **Inventory valued at cost.**
- **Property, plant, and equipment amortized on the same basis as for income tax.**
- **Accounts payable and accrued liabilities.**