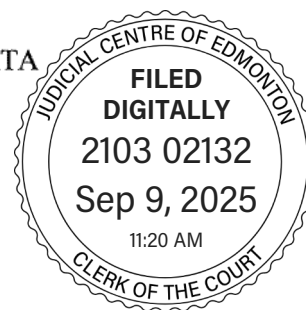


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ESTATE FILE NUMBER 2103-02132  
COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE EDMONTON  
APPLICANT BUSINESS DEVELOPMENT BANK OF CANADA  
RESPONDENTS P7 CONSTRUCTION LTD., 1619904 ALBERTA LTD., HYOUNG JOON YOON aka JASON YOON, SUNG SOO CHOI aka RICHARD CHOI and EUNG CHANG KIM  
DOCUMENT **THIRD REPORT OF THE RECEIVER  
BDO CANADA LIMITED  
SEPTEMBER 8, 2025**



**RECEIVER**

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**THIRD REPORT OF THE RECEIVER  
BDO CANADA LIMITED  
SEPTEMBER 8, 2025**

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**APPENDICES**

**Appendix A – Final SRD**

## INTRODUCTION

1. On May 21, 2021, the Business Development Bank of Canada (“**BDC**”) sought and obtained an Order (the “**Receivership Order**”) from the Court of King’s Bench of Alberta (the “**Court**”) appointing BDO Canada Limited as the Receiver and Manager (the “**Receiver**”) of all the assets, undertakings, and property of P7 Construction Ltd. (“**P7**”) and 1619904 Alberta Ltd. (“**161**” or collectively with P7, the “**Companies**”).
2. On December 1, 2021, the Receiver filed its first report (the “**First Report**”) in this matter seeking and obtaining, *inter alia*, the approval of the sale of the Hotel to 2242227 Alberta Ltd. (“**224 Alberta**” or the “**Purchaser**”) which sale closed on, or around, May 5, 2022
3. On October 17, 2022, the Receiver filed its second report (the “**Second Report**”) in this matter seeking and obtaining, *inter alia*, approval for an interim distribution to priority and secured creditors including Canada Revenue Agency (“**CRA**”) and the Business Development Bank of Canada (“**BDC**”).
4. The purpose of this report (the “**Third Report**”) is to provide information to the Court in respect of:
  - (a) A summary of the activities of the Receiver subsequent to the Second Report;
  - (b) A statement of receipts and disbursements to August 31, 2025;
  - (c) Details of the professional fees incurred by the Receiver and its legal counsel;
  - (d) Details of the Proposed Distribution (as defined herein);
  - (e) The Receiver’s request for its discharge in these proceedings, including authorization for the approval of any remaining records of the Companies in its possession; and
  - (f) The Receiver’s recommendations thereon, as applicable.
5. All references to currency are in Canadian dollars unless otherwise noted.
6. Capitalized terms not otherwise defined in this Third Report are as defined in the Receivership Order, the First Report or the Second Report, as the context may require.
7. This Third Report, together with other information regarding these proceedings, will be posted on the Receiver’s website at: <https://www.bdo.ca/en-ca/extranets/p7-construction-ltd-and-1619904-alberta-ltd/>.

## TERMS OF REFERENCE

8. The Receiver has reviewed the said financial information and records for reasonableness, internal consistency and use in the context in which it was provided, and in consideration of the nature of evidence provided to this Honourable Court. However, the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the same in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants Handbook, and accordingly the Receiver expresses no opinion or other form of assurance in respect of the financial information referred to in the Third Report.
9. The information contained in this Third Report is not intended to be relied upon by any party in respect of the Companies.

## CORPORATE STRUCTURE

10. Based on relevant corporate searches of the Alberta Registries, dated May 13, 2021:
  - (a) P7 was incorporated in the Province of British Columbia and extra-provincially registered in the Province of Alberta on May 4, 2011;
  - (b) The Directors of P7 are not listed, but Sung Soo Choi (“**Mr. Choi**”) is listed as the primary agent for service;
  - (c) 161 was incorporated in the Province of Alberta on July 22, 2011. P7 holds 100% of the voting shares of 161; and
  - (d) The Directors of 161 are listed as Mr. Choi and Hyoung Joon Yoon.
11. The substantial asset of the Companies was a 108-room limited-service hotel located at the address of 4404 52 Ave, Bonnyville, Alberta, operating as a Holiday Inn Express & Suites (the “**Hotel**”). The Hotel was operated under a licensing agreement with Holiday Hospitality Franchising, Inc. (the “**Franchisor**”) dated May 19, 2011. As noted above, the Receiver closed a transaction for the Hotel on, or around, May 5, 2022.
12. P7 was the owner of the real property associated with the Hotel and 161 was the related operating company.

## ACTIVITIES OF THE RECEIVER

13. Subsequent to the Second Report, the Receiver’s activities have included, *inter alia*:

- (a) Monitoring the bankruptcy proceedings of the Companies, leading to a settlement of certain potential reviewable transactions;
- (b) Providing updates to stakeholders as required, including CRA and Service Canada; and
- (c) Attending to various other administrative matters as it pertains to the receivership.

### **STATUS OF BANKRUPTCY PROCEEDINGS**

- 14. As indicated in the First Report, as a result of the Receiver's preliminary review of the financial and banking information of the Companies available to the Receiver, it determined that there may be some potentially reviewable transactions pursuant to the *Bankruptcy and Insolvency Act*.
- 15. On November 3, 2022, on application of BDC, two Bankruptcy Orders were entered with respect to 161 and P7 pursuant to which BDO Canada Limited was named as Trustee in Bankruptcy of each entity. The Bankruptcy Applications for the Bankruptcy Orders were made by the lead secured creditor of the Companies, the Business Development Bank of Canada.
- 16. Through the various efforts of the Trustee and its counsel, including examinations of Mr. Sung Soo Choi (also known as Mr. Choi) and extensive review and follow-up of various undertakings arising therefrom, the Receiver ultimately entered into a settlement of one of the reviewable transactions, resulting in \$100,000 being paid to the Receiver.

### **STATEMENT OF RECEIPTS AND DISBURSEMENTS**

- 17. An interim statement of receipts and disbursements to August 31, 2025 (the "**Final SRD R&D**") is attached as **Appendix "A"** to this Third Report, showing that the Receiver is holding approximately \$69,973 of cash in trust as at that date.
- 18. In addition to these funds, the Receiver's counsel is holding approximately \$100,000 pursuant to the settlement of the Pre-Receivership Transactions as discussed above.
- 19. In aggregate, the Receiver (and its counsel) are holding approximately \$169,973 (the "**Receivership Proceeds**").

### **PROFESSIONAL FEES**

- 20. Details of the professional fees incurred, and anticipated to be incurred in this matter, subsequent to the previous approvals of the Court are as follows:

- (a) The Receiver has not rendered a billing subsequent to the date of the last Court approval, with incurred, but not billed fees, in the amount of approximately \$15,745 (plus GST) for the period October 1, 2022, to August 31, 2025. The Receiver anticipates costs to completion will not exceed a further \$10,000 (plus GST) for a total Receiver Accrual of approximately \$27,032 (consisting of \$25,745 plus \$1,287 GST).
- (b) Legal counsel to the Receiver has been paid a further approximately \$9,916 subsequent to the previous approval of the Court and estimates costs to completion, inclusive of an unpaid invoice of \$2,272, in a further amount not to exceed \$10,000 plus GST for a total Receivers Counsel accrual of \$10,500.
21. The Receiver believes that the foregoing professional fees of the Receiver and its legal counsel are fair and reasonable in the circumstances given, *inter alia*, the time incurred with respect to the preparation of the Receiver's Second and Third Report and applicable court relief, together with the other activities of the Receiver as currently before the Court.
22. It is the Receiver's opinion that its counsel's services have been necessarily incurred and duly authorized and rendered and that the hours and charges are in the Receiver's opinion fair and reasonable in the circumstances.

### **PROPOSED DISTRIBUTION**

23. As disclosed in the Second Report, BDC was owed approximately \$7,640,800 as at September 30, 2022, prior to the Interim Distribution with such amount secured by a collateral mortgage on the Hotel and a personal property registration over all present and after-acquired personal property of the Companies. BDC has advised that following the Interim Distribution and other collections on account of the indebtedness that they are owed approximately \$4,679,384 as of August 31, 2025. As indicated in the Second Report, the Receiver's independent legal counsel confirmed BDC's security over the assets of the Companies to be valid and enforceable, subject to the customary qualifications
24. A summary of the Companies' creditors is provided in the First Report, noting that the super priority amounts in relation to section 81.4 of the *Bankruptcy and Insolvency Act* and all property taxes owed on the Hotel have been paid by the Receiver. In addition, as noted above and previously approved by the Court, creditors with priority claims, including CRA have been satisfied through the Interim Distribution.

25. As described above, the Receiver is currently holding approximately \$169,973. Following the holdback for professional fees, the Receiver will be holding approximately \$132,440 in distributable proceeds which it proposes be distributed to BDC on account of their secured indebtedness (the “**Proposed Distribution**”).
26. While the Receiver is not anticipating any material further recoveries, it would seek Court approval to distribute any further funds that come into its possession directly to BDC on account of its security interest, up to the amount of the BDC indebtedness, without the need for further Court order.

#### **DESTRUCTION OF BOOKS AND RECORDS**

27. While incomplete, the Receiver is holding certain books and records of the Companies. Therefore, the Receiver is proposing that it keep these records for a period of 30 days from the date a copy of the related order is posted to the Receiver’s website and notice provided to the Companies directors in order for any entitled party to claim possession and take transfer at the cost of such party, after which the Receiver shall be entitled to destroy any of the books and records remaining in its possession or control.

#### **DISCHARGE OF THE RECEIVER**

28. Following completion of the Proposed Distribution, in the respectful event that the Court grants such relief, the Receiver will have substantially completed its administration of the receivership with primarily administrative tasks remaining.
29. As a result, the Receiver is seeking the Court’s approval for its discharge as Receiver of the Companies upon the customary terms and conditions and termination of the proceedings upon the filing of a discharge certificate with the Court.

#### **RECOMMENDATIONS**

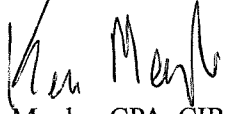
30. The Receiver respectfully recommends that this Honourable Court approve:
  - (a) The activities of the Receiver as currently before the Court;
  - (b) The Final SRD;
  - (c) The professional fees of the Receiver and its counsel and associated holdbacks;
  - (d) The Proposed Distribution;
  - (e) The destruction of records of the Companies as outlined herein; and

(f) The discharge of the Receiver and termination of the proceedings.

All of which is respectfully submitted this 8<sup>th</sup> day of September 2025.

**BDO Canada Limited**

Solely in its capacity as Receiver of P7 Construction Ltd. and 1619904 Alberta Ltd.  
and not in its personal or corporate capacity

Per: 

Kevin Meyler, CPA, CIRP, LIT  
Senior Vice President

# APPENDIX "A"

**Schedule A**

**1619904 Alberta Ltd. - In Receivership  
Interim Statement of Receipts and Disbursements ("ISR")  
For the period May 21, 2021 to September 8, 2025**

|                                    |                      | <u>Notes</u> |
|------------------------------------|----------------------|--------------|
| <b>Cash receipts:</b>              |                      |              |
| Sales of Assets                    | \$ 4,075,000         |              |
| Sales revenue                      | 1,614,650            | a            |
| Return of Debtor's Property        | 10,000               |              |
| Government subsidies               | 28,270               |              |
| Miscellaneous                      | 45,704               |              |
| Pre-receivership GST refund        | 207                  |              |
| Net GST                            | <u>(12,812)</u>      |              |
| <b>Total cash receipts</b>         | <u>5,761,019</u>     |              |
| <b>Cash disbursements:</b>         |                      |              |
| Payment to Secured Creditor        | 3,595,189            |              |
| Payroll                            | 527,720              |              |
| Receiver's fees and disbursements  | 271,571              |              |
| Franchise fees                     | 245,870              |              |
| Property Taxes                     | 208,765              |              |
| Utilities/Cable/Internet           | 195,121              |              |
| Food and beverage                  | 164,514              |              |
| Insurance                          | 140,578              |              |
| Realtor commission                 | 91,688               |              |
| Legal fees and disbursements       | 60,532               |              |
| Alberta Tourism Levy               | 52,392               |              |
| Repairs and maintenance            | 47,740               |              |
| Commissions/Bank Fees              | 36,002               |              |
| Office/cleaning supplies/misc.     | 31,651               |              |
| Canada Revenue Deemed Trust claims | 14,299               |              |
| Workers Compensation               | 4,680                |              |
| WEPP                               | 2,588                |              |
| Filing fees/Ascend fees            | <u>146</u>           |              |
| <b>Total cash disbursements</b>    | <u>5,691,046</u>     |              |
| <b>Cash flow (deficit)</b>         | <u><u>69,973</u></u> |              |

**Notes:**

- a Gross revenues including room sales and A/R collected (exclusive of GST).